Daily Report

Latin America

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Banana Producers Unable To Form Bloc for New Accord With EC

PA0702190394 Panama City EL PANAMA AMERICA in Spanish 6 Feb 94 p 8D

[Report by Carlos Anel Cordero and Arnulfo Barroso Watson]

[Text] Latin American banana producers so far have been unable to form a bloc to make a specific proposal to the EC regarding negotiations for a new agreement on banana exports to Europe.

Enrique Bethancour, executive director of the Union of Banana-Exporting Countries (Upeb), said yesterday representatives of Upeb countries have decided to undertake the negotiations with the Europeans collectively and within the framework of GATT rules.

Not all representatives of the countries that are members of this organization have agreed with this proposal, however.

During the 5 February meeting in Panama City, it was decided to invite Colombia, Costa Rica, Venezuela, and Nicaragua, which to date have not accepted the proposal by the majority of Upeb members.

Panama, Guatemala, and other producers, including Ecuador, the world's largest producer and not a Upeb member, maintain the negotiations must be held within the free trade framework established by GATT.

Ricardo Fabrega, Panamanian commerce and industries minister, said on 4 February the proposal that would be analyzed in this meeting consisted of a specific quota, which he refused to disclose, and two tariff levels. He said the first tariff level would be established at 7 percent. There would be a second tariff level after the requested quota is filled, and this level would be reduced in the next seven years.

Fabrega added the quota to be requested from the European Union would include the quantities sold to the Nordic countries and Austria, which will become EC members in 1995.

ALADI To Decide Mexico's Situation

PY0902181994 Madrid EFE in Spanish 0230 GMT 9 Feb 94

[Text] Montevideo, 8 Feb (EFE)—It was reported today that the foreign ministers of the 11 countries that make up the Latin American Integration Association (ALADI) will define in Montevideo on 11 February the steps to be taken to intensify the process toward a common market in the zone.

The foreign ministers of Argentina, Brazil, Bolivia, Colombia, Chile, Ecuador, Paraguay, Peru, Uruguay, and Venezuela will also have to solve the problem created by the presence of Mexico in the ALADI after it joined the NAFTA with the United States and Canada.

Article 44 of the Montevideo Treaty which created the ALADI obliges a member country to extend to all ALADI members the advantages it grants to third nations.

Mexico asked that this article not be implemented and that it prefers bilateral negotiations with the other partners.

In a news conference ALADI Secretary General Brazilian Antonio Antunes said today that the Eighth Council of Foreign Ministers will study the ways to strengthen the role of the association in "the house of regional integration."

Antunes especially referred to the agreements reached in the current subregional and bilateral integration process taking place in Latin America, and on how to implement them.

He also talked about establishing regulations to strengthen the current trends of intraregional trade.

Antunes noted the "outstanding growth" of regional trade which according to figures of the ALADI Statistics Department reached $22 billion, some 18 percent higher than last year.

In 1992 trade grew 29 percent in relation to 1991.

Antunes said regional trade has become a "great choice for the region" and that world trade grew 3.3 percent in 1993.

Regarding Mexico, the NAFTA, and its compatibilization with the ALADI, Antunes said a special group established after months of discussions an interpretative protocol of Article 44 to allow temporary exceptions to this article.

He added that Mexico must carry out bilateral negotiations on ways to compensate for the losses caused by the agreement with third countries.

Cuba

Havana Cites Possible U.S. Travel Ban Changes

FL0902223394 Havana Radio Rebelde Network in Spanish 2054 GMT 9 Feb 94

[Text] The possible decision by President Bill Clinton to eliminate some restrictions for American travel to Cuba far from implies a change in the blockade policy against Cuba. Saul Landau, specialist at the Political Studies Center in Washington, said it would be a mistake to interpret this decision as a U.S. Government change in policy toward Cuba.

Washington authorizes trips to Cuba for only certain categories of travelers: reporters, researchers, scholars, government officials, and U.S. citizens of Cuban origin with relatives in Cuba, or guests whose expenses are paid by the Cuban authorities.

News dispatches last week indicated that the White House is studying a Department of State proposal to broaden the scope of travel to Cuba by U.S. citizens.

Saul Landau today stated that the proposal to expand the categories of American visitors to Cuba must not be viewed as a positive indicator regarding the United States' general policies toward Cuba. The measure might be a sign of flexibility regarding restriction of the rights of Americans. However, this is not indicative of a lowering of the guard against Cuba.

The Department of State proposal is based on an amendment bill drafted last year by California Democratic Representative Howard Berman, opposing the travel ban. State Department specialists drafted the new proposal, which is now being studied by the National Security Council for government approval.

Interview Conducted With U.S. Visa Applicants

FL1002005194 Havana Radio Rebelde Network in Spanish 1800 GMT 9 Feb 94

[Text] Normalizing relations with the United States regarding migration has always been one of the Cuban Government's objectives. For example, in 1993, Cuba authorized 100,000 people to temporarily leave the country, but only 30,000 were able to travel. The remaining 70,000 were denied a visa by the U.S. Interests Section, located in our capital. Journalist Zenaida Costales has a report for us on what goes on there, day after day.

[Begin recording] [unidentified speaker] Everyone has an objective. [indistinct comments by numerous unidentified speakers, speaking simultaneously]

[Unidentified speaker] They stand guard here, in the line. There is one who keeps the list of the people in line. Then... [rephrases] but one must be here at 0630. To sacrifice all those days! So, well, we do not have a set time for leaving here. We are just as likely to leave at noon as at 1400 hours. It depends. The U.S. Interests Section should consider that.

[Unidentified speaker] Well, here I am again today, for the 16th day.

[Unidentified speaker] And you have been... [rephrases] I myself have been here a week, night and day. The other day, last Monday, we were drenched by a rainstorm at 0500. This area was so muddy that it looked like a pigsty around here. It was such a mess that it was criminal to have to be here. And to have to spend the whole day and the whole night that way.... [leaves sentence unfinished]

[Two unidentified speakers, speaking simultaneously] But that is [words indistinct]. That kind of disregard!

[Costales] That kind of thing happens everyday at the park at Calzada and K Streets, called the Park of Lamentation because of the thousands of people who gather there in front of the offices of the U.S. Interests Section to await an interview, during which they find out whether or not they will be allowed to travel to the United States.

[Unidentified speaker] I have not been able to get in yet—and without knowing, (without their) telling me yes or no.

[Unidentified speaker] Heck, it does people in, in the heart! People come out of there in tears—all emotionally upset because after all those things, to have them say to you: You cannot go! [You think:] Let's see if I get lucky tomorrow and will be able to go. And the luck (?involved in) having them say yes to me! If they say no to me, then I will have spent all those months in vain. That is not easy, [repeats] not easy.

[Unidentified speaker] I plan to go in there tomorrow, to see what they tell me. (?I have no idea what will happen.)

[Unidentified reporter] What if they say no?

[Unidentified speaker] Huh? What am I going to do, resign myself? The thing is, he is going to die and I am not going to get to see him before he dies, because he is in bed, in serious condition.

[Costales] The U.S. Government turns the matter of emigration into one more stumbling block in the already difficult bilateral relations between Cuba and the United States. But let us let the protagonists themselves express their opinions.

[Unidentified speaker] (?We must) clear up one little thing: The Cuban Government gives anyone who wants to go permission to go. The whole blockage problem is here at the embassy because the Cuban Government really does not prevent anyone from going. Anybody who asks to go there and has complied with the formalities gets permission. But it is here that one is blocked.

[Unidentified reporter] And what were you told at the U.S. Interests Section?

[Unidentified speaker] That I could not go (?right now,) because I was too young a person.

[Unidentified reporter] And what do you think of that?

[Speaker] His words of hope were for me to come back next year, but I told him no, that next year I would be only one year older, that it would be the same thing, that I would still be young.

[Unidentified speaker] One cannot afford to lose the hope of living, in this life!

[Unidentified reporter] And what if they say no to you?

[Speaker] Well, they will be forcing me to do something I would rather not do. I would like to see my grandparents and come back, but they are obliging me to do something else.

[Costales] There are still many things left to resolve regarding emigration. These testimonies show that the doors in that wall are still closed. [end recording]

U.S. Groups Begin Political Campaign To Lift Blockade

FL1002011394 Havana Radio Rebelde Network in Spanish 0000 GMT 10 Feb 94

[Text] Today, people opposing the U.S. blockade against Cuba are in Washington supporting a bill calling for the reestablishment of ties between the two countries. The support was organized by religious groups, scholars, and politicians to mark the beginning of a campaign against the aggressive U.S. policy toward Cuba.

The bill is entitled, Act for Free Trade With Cuba, and is sponsored by Democratic Representative Charles Rangel, who describes Washington's policy as hypocrital, given the current international conditions. However, in political circles in the United States, the climate is that of prudence in forecasting a victory in Congress because a change in policy toward Cuba depends to a degree on the Cuban-American community and Wall Street businesses.

Lage Arrives in Colombia; Meetings Scheduled

FL0902191294 Havana Radio Rebelde Network in Spanish 1800 GMT 9 Feb 94

[Text] Cuban Vice President Carlos Lage Davila [title as heard] is in Colombia, as part of a tour that included Brazil and Venezuela. This visit will contribute to strengthening the bilateral ties between Colombia and Cuba following the resumption, just over three months ago, of diplomatic relations between the two countries.

Today Lage will meet with Colombian President Cesar Gaviria and, during his official visit to Colombia, will meet with the ministers of foreign trade, agriculture, economic development, and health.

Before returning to our country, Lage, who is also secretary of the executive committee of the Council of Ministers, will meet with the board of directors of the Bank of the Republic, which sets and regulates the nation's financial and fiscal policy.

Tomorrow, invited by the powerful National Association of Industrialists, Lage Davila will attend a working breakfast with representatives of that association, of exporters associations, of financial institutions, and of small and medium-sized industries, among others.

Ross Calls For Steps To Guarantee Current Harvest

FL0902190694 Havana Radio Rebelde Network in Spanish 1800 GMT 9 Feb 94

[Text] Pedro Ross Leal, secretary general of the Cuban Workers Federation [CTC], called for the necessary measures to guarantee the current sugar harvest, during a meeting with the CTC's national secretariat. Ross underscored the importance of enlisting all organizations and entities, along with the workers of the sugar industry, in the solution of the problems that could arise from the resource deficit during the campaign.

Another one of the topics analyzed was the assemblies of production and services, which should evaluate economic efficiency based on the suggestions made at the workers parliaments.

Visiting French Delegation Leader Interviewed

FL0902165694 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 9 Feb 94

[Text] The delegation of French businessmen-employers, the largest to have visited Cuba, today met with ministers and representatives of Cuban firms. A few minutes ago, journalist Jose Luis Rumbaud talked to Jean Pierre Desgeorges, who is heading this delegation.

[Begin recording] [Desgeorges, in French, with superimposed Spanish translation] We set ourselves as an objective carrying out this mission in Cuba so that our firms would become fully aware of the changes in the economy and of the great opportunities for trade and industrial relations for investors in all spheres that could arise.

Cuba is indeed favorable ground for French firms to come here and invest, or at least for them to come here and establish some kind of business.

[Unidentified man, in Spanish with superimposed French translation] Despite the pressures to which Cuba is today being subjected, the crisis, all the structural changes being made in the country?

[Desgeorges, in French with superimposed Spanish translation] Yes, but we think this crisis that you have suffered as a result of the collapse of the countries of eastern Europe is a crisis that the Cuban economy has been able to bear, if I may put it that way, and this very brutal phenomenon has been able to...[translator rephrases] the Cuban economy has been able to confront it despite many sacrifices, and has been able to resist

these events, which has shown us that Cuba constitutes a solid foundation for the future. [end recording]

Lage Meets Venezuelan Officials, Promotes Investment

PA0902151894 Havana Radio Havana Cuba in Spanish 0000 GMT 9 Feb 94

["Evening Information Review" newscast]

[Text] Cuban Vice President Carlos Lage this afternoon in Caracas reiterated Cuba's interest in promoting investment with Latin American capital. During his short visit to Caracas following an official six-day visit to Brazil and en route to Colombia, Lage met with Venezuelan Foreign Minister Miguel Angel Burelli Rivas and other authorities.

In statements to the media in Caracas, Carlos Lage said the accusations of human rights abuse in Cuba are unjustified and just a part of Washington's harassment policy against Cuba.

Upon commenting on the changes taking place on the island, the Cuban vice president said that his country does not intend to become capitalist but to adapt itself to world conditions and perfect its socialist model.

On 9 February Vice President Lage will begin an official two-day visit to Colombia on the invitation of President Cesar Gaviria, with whom he will meet in Santa Fe de Bogota, as well as with several ministers of Gaviria's administration and with representatives of the National Industrialists Association of Colombia.

Lage Meets With Gaviria, Santos in Bogota

FL1002022894 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 10 Feb 94

[Text] Cuban Vice President Carlos Lage arrived in Colombia on 9 February, the last leg of a trip which included Brazil and Venezuela. Lage, secretary of the Executive Committee of the Council of Ministers, had lunch with Colombian President Cesar Gaviria and met with Foreign Trade Minister Juan Manuel Santos who will soon travel to Havana to establish a bilateral joint commission. Lage will also meet with other ministers and businessmen.

This is the second visit by a top-level Cuban official to Bogota following the reestablishment of diplomatic ties between the two nations. Lage was preceded by Foreign Minister Roberto Robaina.

'Important' Tobacco Agreement Signed With Spain

FL0902145394 Havana Radio Rebelde Network in Spanish 1255 GMT 9 Feb 94

[Text] The Cuban Tobacco Enterprise, Cubatabaco, and the Spanish firm Tabacalera S.A. have signed, in Havana, an important cooperation agreement aimed at guaranteeing the supply of Havana cigars to the Spanish market. The text of the agreement establishes that the Spanish firm will finance the inputs necessary to guarantee the Cuban tobacco plantations' production, while Cubatabaco will supply the Spanish firm with 91 million cigars up to 1995. The two enterprises will produce a new brand of cigars called Mini-Montecristo. The Spanish firm will be responsible for marketing the new brand in Spain and Cubatabaco for marketing it internationally. It has also been learned that the Spanish side will buy, in 1995, approximately 7,500 tons of rag for cigarette production.

Correction to Increasing Prices To Absorb Currency Discussed

FL0902160994

The following correction pertains to the item headlined "Increasing Prices To Absorb Currency Discussed," which appeared in the 9 February Latin America DAILY REPORT, page 3: First Column, first paragraph, first sentence make read... [Text] [Roque] Today, Osvaldo... (supplying omitted processing indicator)

Dominican Republic

* ONAPRES Reports Revenues, Expenditures

* October 1993

94CA0062A Santo Domingo EL CARIBE in Spanish 18 Nov 93 pp 1, 4

[Text] The central government collected 1.425 billion pesos in domestic revenues during October 1993.

In a document made public yesterday, the National Budget Office (ONAPRES) explained that these revenues, added to the accumulated balances in Special Funds, reached a total of 1.5615 billion pesos.

According to the ONAPRES announcement, 938.4 million pesos of the total for October were allocated for investment.

The central government's domestic revenues for October were 346.5 million pesos less than what was collected during the previous month.

Central government revenues in September reached 1,772,116,240 pesos, according to an ONAPRES publication for that period, while October revenues were 1,425,552,457 pesos.

The following is the full text of the ONAPRES statement, in which October's revenue collections and their disbursements are described:

"The National Budget Office, in the interest of keeping the public informed regarding the state's revenues and expenditures for the month of October 1993, makes public the details regarding this portion of the budget activity.

"The strategy of the government presided over by His Excellency the President of the Republic, Doctor Joaquin Balaguer, provides that in the expenditure of public funds, basic priorities will be assigned to agriculture and livestock, irrigation, potable water, energy, health and education, without neglecting other very important sectors that contribute to the harmonious development of progress and of the national economy.

"National revenues for the period covered reached 1,425,552,457.00 pesos which, added to the balances accumulated in Special Funds, came to a total of 1,561,598,152.00 pesos, of which 938,461,464.00 pesos were allocated to investment.

"The agricultural-livestock, irrigation and energy sectors benefited by the sum of 146,774,567.66 pesos. Of this amount, the National Institute of Water Resources (INDRHI) received 60,355,683.63 pesos for the construction and operation of the Jiguey-Aguacate dams and the Sabaneta dam project, as well as for the construction and repair of canals and the maintenance of other dams.

"The Dominican Electric Corporation received 37,680,990.96 pesos to meet that institution's commitments and to help improve our country's energy system.

"The Dominican Agrarian Institute (IAD) received 17,454,522.99 pesos for the completion of several projects and the financing of a number of agricultural programs. The Banco Agricola received 6,825,135.50 pesos for the Southwest Small Growers Project. The Special Fund for Agricultural-Livestock Development (FEDA) received 1,440,190.25 pesos for the improvement of programs in support of agricultural production and other related purposes; the La Cruz de Manzanillo project, 2,178,188.00 for the sowing of various crops; the State Secretariat of Agriculture received 18 million pesos to provide support to small- and medium-scale farmers and the completion of various agricultural programs and projects.

"The National Institute for Potable Water and Sewage received 36,834,420.68 pesos for the construction of aqueducts at Puerto Plata, San Pedro de Macoris, and others at various locations.

"The Central Bank of the Republic received 180 million pesos to finance the public debt. The Aqueduct and Sewer Corporation of Santo Domingo received 89,924,283.08 pesos for the construction of the Valdesia-Santo Domingo and the Cibao Central aqueducts, and other projects.

"Finally, the State Secretariat for Public Works and Communications received allocations in the amount of 354,440,786.69 pesos, the Office of Supervisory Engineers of State Projects received 80 million pesos, and the Office for the Coordination and Inspection of State Projects received 45 million pesos, and the Office for the Coordination and Inspection of State Projects received 45 million pesos for the completion of projects and programs of social and economic interest throughout the republic, such as housing projects, airports, ports, duty free zones, aqueducts, sanitary sewers, highways, local roads, maintenance of streets and historic monuments."

* November 1993

94CA0062B Santo Domingo EL CARIBE in Spanish 21 Dec 93 pp 1, 4

[Text] Central government revenues for the month of November 1993 rose to 1.4821 billion pesos, the National Budget Office (ONAPRES) announced.

The government's reserves rose to 1.5956 billion pesos in November, including balances accumulated in Special Funds, according to ONAPRES.

Central government revenues in November increased by 57 million pesos over October revenues, which amounted to 1,425,552,457 pesos.

The following is the text of the ONAPRES announcement which describes the government's revenues and expenditures during November 1993:

"The National Budget Office, in the interest of keeping the public informed regarding the state's revenues and expenditures for the month of November 1993, makes public the details regarding this portion of the budget activity.

"The strategy of the government presided over by His Excellency the President of the Republic, Doctor Joaquin Balaguer, provides that in the expenditure of public funds, basic priorities will be assigned to agriculture and livestock, irrigation, potable water, energy, health and education, without neglecting other important sectors that contribute to the harmonious development of progress and of the national economy.

"National revenues for the period covered reached 1,482,089,453.00 pesos which, added to the balances accumulated in Special Funds, came to a total of 1,595,676,746.00 pesos, of which 923,131,090.48 pesos were allocated to investment.

"The agricultural-livestock, irrigation, and energy sectors benefited by the sum of 141,567,585.24 pesos. Of this amount, the National Institute of Water Resources (INDRHI) received 54,052,878.01 pesos for the construction and operation of the Jiguey-Aguacate dams and the Sabaneta dam project, as well as for the construction and repair of canals and the maintenance of other dams.

"The Dominican Electric Corporation received 42,531,762.75 pesos to meet that institution's commitments and to help improve our country's energy system.

"The Dominican Agrarian Institute (IAD) received 18,052,757.63 pesos for the completion of several projects and the financing of a number of agricultural programs. The State Sugar Council received 20 million pesos as compensation for the inactivity of sugar refineries. The Banco Agricola received 3,038,505.88 pesos for the Small Growers of the Southeast Project. The

Special Fund for Agricultural-Livestock Development (FEDA) received 1,440,190.34 pesos for the improvement of programs in support of agricultural production and other related purposes; the La Cruz de Manzanillo project, 2,178,188.00 for the sowing of various crops; the State Secretariat of Agriculture received 18 million pesos to provide support to small- and medium-scale farmers and the completion of various agricultural programs and projects.

"The National Institute for Potable Water and Sewage received 75,871,471.71 pesos for the construction of aqueducts at Puerto Plata, San Pedro de Macoris, and others at various locations.

"The Central Bank of the Republic received 115 million pesos to finance the public debt. The Aqueduct and Sewer Corporation of Santo Domingo received 87,136,443.00 pesos for the construction of the Valdesia-Santo Domingo and the Cibao Central aqueducts, and other projects.

"Finally, the State Secretariat for Public Works and Communications received allocations in the amount of 343,797,802.84 pesos, the Office of Supervisory Engineers of State Projects received 86.3 million pesos, and the Office for the Coordination and Inspection of State Projects received 50 million pesos for the completion of projects and programs of social and economic interest throughout the Republic, such as housing projects, airports, ports, duty free zones, aqueducts, sanitary sewers, highways, local roads, maintenance of streets and historic monuments."

Haiti

Aristide Spokesman on Canadian-Haitian Cooperation

FL0902193394 Port-au-Prince Signal FM Radio in French 1130 GMT 9 Feb 94

[Text] The week of solidarity with the Haitian people began on 8 February. On this occasion, President Aristide's spokesman Jean-Claude Martineau spoke extensively on the planned cooperation between the Canadian Government and the Haitian Government during a speech on the Haitian crisis. Mr. Martineau explained that the Aristide government will conclude once again an agreement with the Hydro-Quebec International Company for the renovation of the drinking water and electric energy distribution systems. Within the scope of this week of solidarity, several major Haitian and U.S. [as heard] figures will call on the Clinton government on 10 February to support the proposal on strengthening sanctions against Haiti.

CARENA Proposes Formation of 'Exceptional Government'

FL0902202494 Port-au-Prince Signal FM Radio in French 1130 GMT 9 Feb 94

[Passages within quotes in Creole]

[Excerpts] The Committee of Actions for National Reconciliation [CARENA] national conference at the Holiday Inn Hotel finally reached an end at 2256 on 8 February. After debates that were to say the least thorny, the national conference decided to form an exceptional government in charge of managing the state while awaiting a court decision on the accusations brought against President Aristide. Despite the warnings of Osner Fevry, despite the warnings of Rodaille [not further identified], the assembly castigated President Aristide. The cards will have to be shuffled again and it is supposedly all over regarding the president-in-exile.

An exceptional government is in sight. The campaign began in the Toussaint Louverture Room itself. The Revolutionary Front for Haitian Advancement and Progress [FRAPH] vainly attempted to impose the five members of this team. [FRAPH leader] Emmanuel Constant asserted that if a referendum had to be made he would be elected president of the Republic by plebiscite given that he is the most popular. Disregarding pressure, which included bargaining, intimidation, hemming, and hawing, the assembly refrained from designating the members of this government. But Montalvo Despeignes [former minister without portfolio under the Nerette-Honorat government] was campaigning for the man whose clear-sightedness he never stopped vaunting, the man for whom he showed his profound admiration: General Raoul Cedras. [passage omitted]

But during the debates, Rodaille nevertheless warned against such solutions. His was a solitary voice talking to a brick wall. At least, gentlemen, to console those who are waiting rightly or wrongly for the return of the president, take this possibility into account, said Rodaille during these debates that were taking place at the Toussaint Louverture Room of the Holiday Inn. [passage omitted] Be aware that jurist Osner Fevry warned that on the juridical plane only one scenario was possible: Return to constitutional order in accordance with the principle of precedence. Let us listen to Attorney Fevry.

[Begin Fevry recording] "The first political matter is that the president of the country should designate his prime minister, that President Aristide should immediately designate his prime minister who will form his government. The second political matter is to straightforwardly form an exceptional government. This exceptional government can have several names. We can call it a military government. It can be a civilian-military government, it can be a civilian government, it can be a government of public security, and it can be a government of national reconciliation. No matter what name is given to it, it can be a political matter to form this new government, this exceptional government, this military government, this civilian government, this government of public security, this government of national reconciliation." These are the political matters. "The juridical and legal means to form this new government include first....[pauses] We said it is only one big method through

a kind of general synthesis, we call it" return to constitutional order and—if you wish—return to constitutional and legal order. This means supremacy of the law, that is the acknowledgement of the law as the supreme force and in accordance with the principle of precedence. "This means it is either the law or not. Either you are courageous enough to play the game of the law or you (?imprison) the law and do not [words indistinct] to play the political game." [end recording]

The CARENA officials will meet with the press for the official and solemn signing of the final resolution of this conference. This will take place very soon with the formation—in prospect—of the exceptional government. Between now and then the parliament will have to be won over to the cause of the conference. But it will also be necessary to convince the international community so that the sanctions can be lifted.

Business Sector Ends Protest; Asks Leaders To Reach Accord

PA0902212094 Hamburg DPA in Spanish 1837 GMT 9 Feb 94

[Text] Port-au-Prince, 9 Feb (DPA)—The Haitian business sector ended today a protest against the world oil embargo and asked the Army and deposed President Jean-Bertrand Aristide to reach an agreement to end the political crisis prevailing in the country since September 1991.

For 12 days, the Haitian Chamber of Commerce and Industry kept the biggest enterprises in Port-au-Prince closed and will enact new protests if the Armed Forces and Aristide do not restart negotiations, warned business sector spokesman Bernard Craan. "We attained our objective. We have caused a psychological shock, and now everyone understands that we must find a solution quickly," said Craan.

In a joint resolution signed by the leaders of several powerful business associations, Haiti's big businessmen asked that everyone sacrifice. The businessmen urged Aristide, overthrown by a military coup on 30 September 91, to appoint as soon as possible a new prime minister to replace Robert Malval, who resigned on 15 December. They also demanded the lifting of economic sanctions imposed by the international community, as well as the resignation of Army Chief General Raoul Cedras, leader of the coup. If these demands are met, the Caribbean country will be close to a solution of the crisis, said the businessmen.

Democracy in Haiti was almost reestablished last October, in accordance with an agreement sponsored by the United Nations, but the military prevented Aristide's return, which had been scheduled for 30 October. Until January, when the petroleum embargo began forcing several industries and other enterprises to close their doors, the business sector had been reticent about participating in the political debate on the country's situation.

Several business leaders said many businessmen who were doing very well before the 1991 military coup are now in danger of going bankrupt, whereas the new businessmen with ties to the Army are getting rich through preferential treatment from the Customs Department, among other advantages.

Employers' Associations Publish Statement

FL1002032994 Port-au-Prince Radio Metropole in French 1145 GMT 9 Feb 94

[Text] The Haitian employers' associations, which on 9 February will end their shutdown of the country's stores, designed to force a lifting of the embargo and a solution to the political crisis, have made political recommendations to untangle the crisis. The 14 associations, including the Haitian Chamber of Commerce and Industry [CCIH], asked General Raoul Cedras to go into retirement and President Aristide to appoint a prime minister and lift the embargo. They also asked the UN Security Council and the OAS to immediately lift the embargo that they refer to as genocide, and to recognize the damages that this embargo has caused the country. The employers' associations have further asked the Armed Forces to guarantee the security of all legislators and to work on the formation of a new police force and the law separating the Army from the police, as provided for by the Constitution. In their statement, the Haitian employers had a special message for Gen. Cedras and President Aristide:

[Begin unidentified spokesman recording] The employers' associations which, with an open mind, brought their support to the president of the Republic in July 1993 are today requesting from President Aristide, in compliance with Article 136 of the Constitution, the appointment of a new prime minister as soon as possible, in view of assuring the regular running of the state; the withdrawal of his request to impose an embargo, in order to put an immediate end to the resultant disastrous consequences; and to initiate a policy of social appeasement.

To the legislative chambers, given that the role of the legislative chambers is to study and vote on the necessary laws and provisions for the efficient running of the state; given that they have the duty to defend the superior interests of the nation, the employers' associations request from the legislative chambers, first: the immediate cessation of the empty-seat policy and utilization of all indispensible measures for the running of the parliament and application of the Constitution; second, that the law of general amnesty be voted within six working days; third, that they immediately begin the procedure for ratification of a prime minister as soon as he is appointed, as provided for by the Constitution; fourth, that they formally make a commitment to study and vote the law on the creation of a police force, as provided for by the Constitution.

Of the Haitian Armed Forces, in order to create confidence among the legislators and the entire nation, and to allow for a definitive release of the dramatic situation

that is gripping the country, the employers' associations are asking the Armed Forces command, first, to formally reassert their commitment to guaranteeing the safety of the legislators in the fulfillment of their duties; second, to work with all concerned parties on the creation of the police force provided for by the Constituion; third, in collaboration with national interests and the international community, to work on the formation of a police force and on modernization of the Haitian Armed Forces. Of Gen. Raoul Cedras, they ask for reassertion of his request for retirement, effective immediately following passage of the law on amnesty.

Of the UN Secruity Council and the OAS, considering that the embargo imposed by the international community constitutes genocide against a poor, defenseless, voiceless population: considering that the imposed embargo is contrary to human rights, as written in the UN charter, unfeasible to life, work, health and social service; considering the inestimable damage caused by this embargo to the environment; considering that it is necessary to compensate for the harm done by this unjustified embargo; considering the necessity of stopping the increasing distrust of the Third World countries toward the superpowers and powerful internatonal organizations, the employers associations urge the UN Security Council and the OAS; first, to lift the genocidal embargo; second, to recognize the damages caused the Haitian nation through the economic sanctions and to make a commitment to compensating them as soon as possible through some means that will guarantee boosting the national economy; third, to formally acknowledge to the private sector its commitment to see democracy implemented in Haiti through means other than the genocidal embargo that is odiously and unjustly punitive, not only to the innocent national majority. but also to the entire nation.

In conclusion, the employers' associations are convinced that the application of these provisions should without a doubt immediately disentangle the political crisis. The unquestionable good faith of all Haitians is indispensable to a definitive solution to the crisis. The involvement of all social sectors is also indispensable to a long-term resolution of the structural crisis of the country, all of which are essential conditions for a definitive state of law, adaptable to a newborn democracy.

Signatures are by the following: Haitian Chamber of Commerce and Industry; National Association of Importers and Distributors of Pharmaceutical Products, National Association of Distributors of Oil Products, National College of Haitian Engineers and Architects, Association of Agricultural Producers, Association of Coffee Exporters, Association of Haitian Insurance Agents, Association of National Producers, Haitian Association of Construction Firms, Haitian Association of Travel Agents, Inter-American Businessmen's Association, Hotel and Tourist Association of Haiti, Center for Free Form and Democracy, and the French-Haitian Chamber of Commerce and Industry. [end recording]

Activist Blames International Community for Abuses

FL0902231094 Port-au-Prince Signal FM Radio in French 1130 GMT 8 Feb 94

[Text] Over 80 persons were killed for political reasons in one month in Port-au-Prince alone, notably in the populous neighborhoods of Cite Soleil and Carrefour-Feuilles, a human rights activist told the Haitian Press Agency. This personality, who wished to remain anonymous for security reasons, emphasized the Cite Soleil slaughter that caused the deaths of about 50 persons on 27 December, and the murder of about 15 youths on the night of 2 February. Of these 15, 12 bodies were discovered in Sarthe, on the northern road out of the capital. About 10 more youths were shot down in Cite Soleil or its surrounding areas because of their presumed affiliation with the lavalas movement during the same period by armed civilians or men in military uniforms. The human rights activist also cited the cases of several persons killed under questionable circumstances, whose bodies were later discovered at the general hospital's morgue in Port-au-Prince.

According to this human rights spokesman, political assassinations are considered casual facts in Haiti. He holds the international community responsible for the impunity with which crimes are committed daily in Haiti. He also pointed an accusing finger at a huge segment of the business community, which denounces the ravages of the embargo caused by the military coup d'etat, but considers the violent killings normal. Citing the murder of Manette Jean-Louis, a young girl in the Mahotiere area, who was shot down on 31 December by Nationalistic and Progressive Revolutionary Party of Haiti Deputy Saurel Jacinthe, the human rights defender also denounces the blocs within parliament whose members are accomplices in crimes against life.

Correction to Monde Denies Reports

FL0902130794

The following correction pertains to the item headlined "Monde Denies Reports of Larosiliere for Prime Minister," which appeared in the 9 February Latin America DAILY REPORT, page 8: Second column, penultimate paragraph, fourth to fifth sentences make read... met with Walter Fauntroy. We were very... (correcting spelling of name "Fauntroy.") Same paragraph, fifth to sixth sentences make read... by him. Walter Fauntroy wept over the... (correcting spelling of name "Fauntroy.")

Uruguayan Foreign Minister Discusses NAFTA

PY0902222094 Montevideo EL OBSERVADOR ECONOMICO in Spanish 4 Feb 94 p 28

["Summary" of interview with Uruguayan Foreign Minister Sergio Abreu by correspondent Carlos Banales Marino in Washington—date not given]

[Text] [Banales] A recent comment made public by Argentine Foreign Minister Guido Di Tella suggested that his country will unilaterally ask to join the TLC [Free Trade Agreement—NAFTA]. This comment overlooked the public statement by President Carlos Menem that Argentina would join the TLC together with the entire Mercosur [Common Market of the South]. Let us go part by part. What does Uruguay think about this commercial agreement?

[Abreu] Our first assessment is positive. The TLC represents an additional effort by the region's countries with the purpose of forming commercial blocs, following the world trend in this field. Therefore, the signing of an agreement that involves Latin American countries such as Mexico with Canada and the United States is a positive fact.

[Banales] Does the TLC clash with Mercosur?

[Abreu] They complement each other. These schemes begin to overlap each other to the extent that the regional integration blocs all lead to a greater liberation of trade. In other words, we are making the integration project and the commercial opening compatible, but for this the integration systems must be flexible. It is not a matter of imposing a model to substitute imports that will entail the isolation and autarchy of the member countries of those blocs. For example, we believe that the TLC, the Group of Three, the Andean Pact, Mercosur, and the bilateral agreements reached within Aladi [Latin American Integration Association] complement each other and head for a commercial opening in keeping with the objectives also sought by the Uruguay Round that ended last 15 December.

[Banales] Let us talk about Di Tella's comment. Can Argentina—in its capacity as a Mercosur member country—unilaterally ask to join the TLC? Does that not affect the Asuncion Treaty?

[Abreu] The Asuncion Treaty is the legal framework by which Argentina, Uruguay, Brazil, or Paraguay must abide. This treaty clearly establishes the terms and condition for their relationship with third countries. The four countries have been jointly negotiating within the GATT, coordinating their stances. We have legal duties established in the treaty that compel us to design common commercial policies, and also the four countries have an agreement with the United States known as "Four Plus One" proposed by President (George) Bush that, to some degree, has materialized following the congressional approval of the four Mercosur member countries. It is a negotiation and consultation forum that does not have the power of a commercial agreement but allows for an institutional and political rapprochement that, in our viewpoint, is the appropriate mechanism for this relationship.

[Banales] Right. But what happens if one of the four countries that signed the Asuncion Treaty decides to split away and unilaterally ask to join another treaty, such as the TLC?

[Abreu] If Argentina, or any of the other three countries, wants to leave Mercosur to join the TLC, it must apply the appropriate mechanism established in the treaty. In this case, the commercial concessions granted remain in force for another two years. But if it wants to join the TLC, it also must follow the same procedures Mexico is following. That is, it must negotiate the concessions granted to third countries by virtue of the agreements reached through the Montevideo Treaty signed within the framework of Aladi. And this goes for Argentina as well as for the remaining three other countries. It is not just a matter of expressing a desire; there are obstacles that must be overcome. The TLC is an integration mechanism that is just starting; it establishes a free trade zone and is far from the achievements already made by the four Mercosur member countries.

[Banales] In what sense?

[Abreu] Look, we already have reduced 82 percent of our tariffs and as of next year—with some exceptions for Paraguay and Uruguay—we will enjoy free trade, which is the TLC's objective. This is why I maintain that Mercosur is not a mere political expression or desire. We all want to join the TLC not because it is a matter of standing in line to join another treaty, preference zone, or free trade zone, but rather to seek the mechanisms to join or become compatible with the different integration schemes.

[Banales] Is Mercosur one of Uruguay's priority issues?

[Abreu] For us Mercosur is a top priority for the four member countries. This was politically ratified by the four countries, and currently we are defining the Common Foreign Tariff, a field in which we have made great technical and political progress. Therefore, going back to your question, we believe that any desire to join the TLC is naturally subject to the legal and political situation. We support any initiative within this framework because we believe that joining the TLC merely complements the integration systems. Argentina, as well as Brazil, have ratified their decision to remain within Mercosur and then negotiate with the rest of the regional projects.

[Banales] Has Mercosur already yielded any concrete results for Uruguay?

[Abreu] Well, if you analyze it, yes. Uruguay's intra-zone trade during the past few years has gone from $3 billion to $8 billion. This difference may be conditioned, among other things, by monetary or exchange policies that

sometime distort trade in—should we say—a non-genuine manner. But we also must admit that our intra-zone trade has increased substantially. To Uruguay, its Mercosur partners represent a record percentage of its trade history. Currently our Mercosur partners account for 45 percent of our foreign trade, and we notice that the treaty has an important impact in the commercial field. Uruguay's concentric circles policy favors our commercial partners such as Argentina and Brazil, in addition to complementing this subregional strategy with a more global commercial opening.

The Mercosur path is undoubtedly full of obstacles and difficulties but Uruguay continues to unwaveringly support the treaty's ratification.

Cardenista Front Symbolically Joins EZLN Struggle

PA0902164094 Madrid EFE in Spanish 1812 GMT 7 Feb 94

[Text] Mexico City, 7 Feb (EFE)—The Cardenist Front for National Reconstruction Party (PFCRN) has symbolically joined the armed revolt in Chiapas and begun a tough fight to discredit its opponents in the presidential campaign.

Rafael Aguilar Talamantes, PFCRN candidate to the Mexican presidency, announced that its "vote-sponsoring brigades" will mobilize this week wearing a "uniform"—a ski cap and sweatshirt—like members of the Zapatist National Liberation Army (EZLN) who rebelled on 1 January.

Fernando Pineda, national propaganda secretary, today explained to EFE that the ski cap will be "a symbol of peace, not of war." He added that it will be worn as a symbol of the Zapatist struggle for democracy and to demand a "no to weapons, yes to the ballot box."

The ski cap is the main garment worn by Zapatist leaders. Rebel leader "Subcommander Marcos" says he wears it to honor the Mexican culture of "keeping things under wraps" in which the name of the ruling party's presidential candidate is withheld.

"The PFCRN fully agrees with the Zapatists' demands. We have adopted their ten points for democracy and offered ourselves as the Zapatists' peaceful branch because we believe their demands are just," Pineda said.

The opposition party spokesman said its members hope violence will stop and that just solutions will be given to the people of Chiapas and Mexico, where, according to him, there are more than 40 million poor people, meaning half the country's population. The way to prevent permanent instability in the country is to promote new, in-depth economic policies and to help the poorest people overcome their backwardness.

"We are going to emphasize this platform unity with the EZLN in our political campaign and guarantee that a political rather than military solution prevails on 21 August (presidential election day)".

Aguilar Talamantes was applauded by dozens of supporters wearing black and white ski caps on 6 February when he began his campaign in the capital.

During his electoral campaign, which began in January, Aguilar Talamantes harshly criticized another opposition presidential candidate, Cuahtemoc Cardenas of the Party of the Democratic Revolution (PRD), whom he describes as "lacking seriousness and ideological commitment."

Aguilar Talamantes has also criticized Diego Fernandez de Cevallos of the conservative National Action Party (PAN) for his "elitist" character because he wants politics for "groups of decent people without taking the poor into consideration."

The PFCRN, known as the Worker's Socialist party until 1986, proposes to end agricultural backwardness; to sponsor progress, democracy, and development; and to promote an in-depth reconstruction of the country's political and social life as guidelines for winning the presidency.

Nine parties will participate in the 21 August general elections, but only the ruling PRI (Institutional Revolutionary Party), PAN, and PRD are considered strong.

Peasant, Indian Organizations Support EZLN

PA0902175794 Madrid EFE in Spanish 1722 GMT 8 Feb 94

[Text] Mexico City, 8 Feb (EFE)—Dozens of peasant and Indian organizations in several Mexican states are backing the rebel Zapatist National Liberation Army (EZLN) movement and threatening to join the armed struggle in a demand for economic and political reforms.

Since the EZLN revolted in Chiapas on 1 January, dozens of human rights, political, religious, Indian, and peasant organizations have expressed their "moral support" for the rebels' demands, especially the fight against poverty. In past weeks, however, many of those organizations have taken more radical positions by demanding immediate solutions to their economic problems and threatening to join the EZLN ranks.

Approximately 400 peasants who grow sugar cane in the eastern state of Michoacan threatened today to take up arms and join the EZLN if the government does not reopen its sugar mill, which was closed one year ago. The peasants are former workers of the Puruaran sugar mill, which is located 120 km from the Morelia, the capital of Michoacan. The peasants asserted that they will muster hundreds of Purepecha Indians in the area to join an armed revolt to continue the neo-Zapatist movement.

Confronted with this situation, the 21st Military Zone troops are currently guarding the region to forestall any rebel movement. The Michoacan rebel leaders have agreed to meet on Wednesday with Jaime Serra Puche, commerce and industrial development secretary, to negotiate the reopening of the sugar mill. Meanwhile, five rebel leaders have gone to Chiapas to deliver a letter to the EZLN asking to be allowed to join its ranks.

Furthermore, 1,000 members of the Democratic Peasant Union (UCD) [Union Campesina Democratica] in Torreon city in the northern state of Coahuila expressed their support for the EZLN's demands and demanded that the local government provide immediate solutions to the agrarian problems in the area. "The Torreon peasants will initiate an offensive in defense of the ejido (community land). We demand the suspension of Banco Rural's land seizures and the cancellation of the expired

portfolio," which amounts to approximately $233.3 million, their communique stated.

In the southern state of Guerrero, authorities have warned that several people are distributing leaflets to the Indians calling them to an armed revolt against the government. Authorities are currently investigating those reports.

One week ago approximately 300,000 members of the "Guerrero 500 Years of Indian Resistance Council" [Consejo Guerrerense 500 Anos de Resistencia Indigena] asked to be accepted in the EZLN ranks and requested that they be allowed to support the armed movement from the mountains of the southern state of Guerrero. The Zapatists accepted the request. The Guerrero Indians have started collecting food, clothing, and medicine to support their "war brothers" in Chiapas and will send the provisions to Chiapas in the next weeks.

A dozen religious and human rights organizations in the northern state of Chihuahua, which borders the United States, have formed the "Peace and Justice in Chiapas Coordinator" [Coordinadora por la Paz y la Justicia en Chiapas] that demands that the EZLN be accepted as a belligerent force. The coordinator demands a halt to the repression against the Indians in Chiapas and to the "manipulation of information" by the television media. It has warned that it will support the rebels in all their demands to the government.

In the southern state of Oaxaca, neighboring with Chiapas, many residents in the mountain areas have warned authorities of the alleged presence of armed groups that are preparing to rise up against the local government. The authorities, however, have repeatedly denied those reports.

At least 108 people were killed and approximately 500 injured in the armed clashes between the EZLN and the Armed Forces during the first 10 days of the conflict.

Eight Parties Sign Peace Agreement

PA0902165894 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 8 Feb 94

[From the "Good Morning From Mexico" newscast]

[Text] Government Secretary Jorge Carpizo granted an interview during which he spoke about an agreement for peace, democracy, and justice signed by eight political parties. He said the agreement signed by eight of the nine registered political parties to contribute to the peace process and honest elections in 1994 is well on its way to fulfillment.

[Begin Carpizo recording] No party will issue reports on its own. News and reports will be issued jointly. [end recording]

He said that the gentlemen's agreement between leaders and presidential candidates is intended to protect and consolidate the peace agreement. Carpizo added that special congressional sessions can be held to reform the Federal Code of Electoral Institutions and Procedures if there is a consensus among the parties to do so.

Carpizo was interviewed after a meeting at the government secretariat with leaders of the National Teachers' Union headed by Elba Esther Gordillo.

EZLN Predicts More Revolts Unless Electoral System Reformed

PA0902182494 Hamburg DPA in Spanish 1912 GMT 8 Feb 94

[Text] Mexico City, 8 Feb (DPA)—"Subcommander Marcos" has stated that unless their is a democratic revolution in the Mexican electoral system, the whole country will rise up. Marcos is the main military strategist and spokesperson for the Zapatists, who took up arms in the southern state of Chiapas on 1 January.

"If the electoral system is not revolutionized, regardless of whether the Zapatists exist or whether they annihilate us, the country will rise up," the mysterious rebel leader said in an interview published today by the newspaper LA JORNADA.

During the interview held somewhere in the Lacandona Jungle, the EZLN spokesperson, whose identity is concealed by the classic ski cap worn by the Chiapas rebels, insisted on the need for guaranteeing democratic elections in Mexico.

"They can negotiate peace in Chiapas in February, but by June the country will have another revolt," Marcos said, stressing the need for political reforms that will prevent the Mexican Government from controlling the presidential elections scheduled for 21 August.

The rebel subcommander described the current moment on the eve of the first direct meeting between Manuel Camacho Solis, the government's peace commissioner, and the EZLN as being between a "monologue disguised as a dialogue" and a "potential war conflict."

"The war is not actual but latent. It could break out at any moment," the EZLN leader said, explaining that this is why the EZLN cannot give up its arms.

Marcos said the Mexican Government is handling the dialogue process as an ultimatum to the guerrillas because it "is preparing the political conditions for a large-scale military operation."

In spite of this, Subcommander Marcos expressed his confidence that the guerrillas can achieve important political results in their negotiations with the government.

He said that some 15 rebels of the EZLN and of the so-called Indian Revolutionary Clandestine Committee-General Command, the main organization of the EZLN,

will attend the dialogue with Camacho Solis. The site of the meeting is not yet known, but the meeting is supposed to begin this week.

The guerrilla leader said the role of the media was decisive in making the quick transition from the 12-day war to the dialogue, for which he admitted the EZLN was unprepared.

"We were prepared for a long war of attrition, of military clashes, of political disputes over towns, of ideological struggle, and for a possible dialogue later, once the government agreed," Marcos stated.

PRD Members Block Road; Prevent Aid Deliveries

PA1002040594 Mexico City Radio ACIR Network in Spanish 0030 GMT 9 Feb 94

[Report by Maricarmen Camacho from Tuxtla Gutierrez, Chiapas State, for the "Vector 21" newscast—live]

[Text] One hundred PRD [Democratic Revolutionary Party] members from Teopisca Municipality this morning closed down the road to Comitan and demanded Mayor Hector Alvarez Gordillo's dismissal. The blockage impeded the transit of shipments of medicine and food destined for communities negatively affected by conflicts, because the protesters denied passage to all kinds of vehicles. A commission of deputies this afternoon traveled to the area to talk with the protesters.

Meanwhile, the Chiapas State government and the Banrural [Rural Bank] General Directorate agreed to increase the support recently authorized for the coastal zone to prevent a decapitalization to include all Chiapas State producers. Ricardo Lecumberri Lopez, Banrural delegate for Chiapas and Oaxaca States, said the measure will benefit all the agrarian and livestock producers accredited to the organization. He explained the agreements foresee the pardon of accrued interests, provisional suspension of all sequestration trials, creation of a fund to renegotiate past due debts, and channeling of new credit resources. Lecumberri Lopez said the support will be granted through Banrural's 12 branches in the state.

Salinas Meets, Reaches Agreement With Indian Leaders

PA1002040794 Mexico City Radio ACIR Network in Spanish 0030 GMT 9 Feb 94

[Report by Elizabeth Diaz Otero for the "Vector 21" newscast]

[Text] President Carlos Salinas de Gortari told Indians from Los Altos de Chiapas he will fulfill all his pledges and continue to work to achieve harmony. Approximately 100 members of the Indian Council of Chiapas came to the official residence in Los Pinos this afternoon to discuss with the president their needs for potable water, high schools, health centers, and better administration of justice. They came to Mexico City in an Air Force plane, arriving at the presidential house in tour buses. The group was led by Governor Javier Lopez Moreno.

The meeting was private. It extended beyond the allotted time. Later President Salinas personally explained the reason for his delay to the workers, electricians who waited in another room at Los Pinos.

[Begin Salinas recording] I come from a meeting where I heard, talked, and adopted decisions with Indian municipal presidents from 13 municipalites in Chiapas State. I heard their proposals with due attention and respect. I learned about their decision to work for peace, harmony, and justice. They want two things above all: they want harmony to prevail in their communities, region, and their great and beloved Chiapas State, and they want pledges fulfilled. This was my reply: For Chiapas and for Mexico, we will work for harmony, and we will fulfill pledges. [applause] [end recording]

The Indians were from nine ethnic groups—Chamulas, Tzotziles, Choles, Lacandones, and others—in Los Altos de Chiapas. They said they were happy about their meeting with President Salinas but they warned that if authorities fail to fulfill all their pledges they will come back and report this to the president of the republic. They also said that they share the reasons for the Zapatists' struggle but not the way in which they have done it, meaning with weapons.

Asked if they will continue to vote for the Institutional Revolutionary Party [PRI] in future elections, Pascual Gustavo Rodriguez, municipal president of Mitontic, said they have yet to decide for whom they vote in the next general elections. It is appropriate to mention the question was asked because voting in this region has always favored the PRI.

Indians Seize Municipalities in Protest

PA1002121394 Mexico City Radio ACIR Network in Spanish 0030 GMT 9 Feb 94

[Report by Jose Luis Armenta in San Cristobal de las Casas, Chiapas State for the "Vector 21" newscast—live relay]

[Text] On Tuesday Indians from the zone of Sononusco, Chiapas State, seized five municipal offices to protest the alleged embezzlement of public funds, corruption, and lack of social plans. Approximately 40 people, initially identified as members of the PRD [Democratic Revolutionary Party], blocked the road between Teopisca Municipality and San Cristobal de las Casas. Alleged PRD members also seized municipal offices in Cacahuatal.

The two mobilizations followed the seizure of municipal offices in Mapastepec, Huehuetan, and Tuxantan by civilians. Their demands are the same—more credits for

rural areas, more public projects, and distribution of land, among others. It is also stated municipal presidents have abused their authority and are acting through political bossism.

[Begin unidentified speaker recording] Municipal presidents have been accomplices to murder. One of our comrades was killed, reportedly while trying to escape. Relatives said the municipal president told him he could leave, but it was later claimed the prisoner was shot while trying to escape. We came to Teopisca in case the people need protection because we... [pauses] if things are not solved now in Teopisca, tomorrow or the day after we will bring in 1,000 people for further support. The governor wants us to work throughout the municipalities, but no solutions are proposed. We have put up with this problem for quite a long time, and no solution has been found. To the contrary, the municipal president now gives us the finger, mostly to our women, and that is not right. We have stopped the people even though they wanted to drag him out and tie him up. We know that is a crime and things might get out of hand so we opted not to do that, but we will not put up with this situation. We have an audience with the governor in Tuxtla Gutierrez scheduled for 15 February and, if no solution is proposed on the 15th, we will adopt other decisions or measures on the 20th to solve the problem as best we can. [end recording]

Peace Commissioner Responds to EZLN; No Date for Talks

PA1002025294 Mexico City Radio ACIR Network in Spanish 0016 GMT 10 Feb 94

[Statement by Mexican Peace Commissioner Manuel Camacho Solis at the Diego de Mazariegos Hotel in San Cristobal de las Casas, Chiapas—live relay]

[Text] Messrs representatives of the media: I have received a confidential message from the EZLN [Zapatist National Liberation Army] command. They had certain doubts and worries which I have proceeded to answer and clarify. Seeking to maintain an atmosphere of seriousness and responsibility in connection with the dialogue for peace and reconciliation, allow me to state the following:

1. Today, with the authorization of the president of the republic, I met with the region's military commanders to request their support and establish the specific conditions of safety required by the meeting in previously agreed upon terms. The Mexican Army has notified me it is prepared to provide all the guarantees required for the meeting's safety and success.

2. We all know that the problem we face is extremely complex, that in-depth political decisions are at stake in the dialogue. The truly important thing is not the spectacular character of the event; it is the political meeting and its substantial points. Its political essence is what matters and that viewpoint should drive the process.

3. I am worried that I still cannot tell you the dates for the dialogue for peace and reconciliation. I know the level of public expectation which prevails because I have shared with you the anguish of waiting. I understand the media you represent and you have professional and personal schedules and plans. I can assure you that the dialogue will not occur within the next 48 hours. If someone has to travel he can do it at will.

To conclude, as far as I am concerned, I will remain in Chiapas State for the next few days as an expression of my determination in favor of a dialogue and political solution to this conflict. Thank you.

El Salvador

U.S. Embassy Drivers Testify in Bodyguard's Shooting

PA1002043094 San Salvador Canal Doce Television in Spanish 0300 GMT 10 Feb 94

[From the "Up-to-Date" newscast]

[Text] Two U.S. Embassy drivers appeared in Sensuntepeque courts this morning to testify as the main eyewitnesses to the death of bodyguard Crescencio Diaz Atencio, allegedly assassinated by U.S. Major Mike Lopez. The prosecutor handling the case thinks the two drivers' testimonies conclusively prove that Lopez shot and killed Diaz inside the car.

The drivers testified behind closed doors in Sensuntepeque preliminary judge Lucila de Paz's office. Legal proceedings lasted nearly eight hours. A representative of the Prosecutor General's Office was present at all times.

The key witness, Lopez's driver, refused to speak to the press after making his statements for the judge. The other driver said he did not know the motives for the crime, although he received in his Soyapango residence the U.S. Embassy vehicle with Diaz's body still inside.

[Begin recording] [Second driver] Yes, they arrived at my home.

[Reporter] What happened? What did the other driver tell you?

[Driver] He only told me they were racing. Only that. [end recording]

The drivers' statements confirm their earlier statements made to the Soyapango court. The prosecutor general's office has reported that Diaz was indeed killed by a .38 caliber bullet while taking Maj. Lopez from Cabanas to San Salvador.

[Begin unidentified speaker recording] It is clear that although the witness did not say he saw who fired, the three men were in the car. The shot came from behind. The only person in the back seat was the major. There is an extremely strong presumption of guilt. Unfortunately, presumption tends to disappear from penal codes. At present, however, the presumption that the major did fire on Diaz is strong. [end recording]

Other Witnesses To Testify

PA1002034694 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 9 Feb 94

[From the "Facing the Moment" newscast]

[Text] Two witnesses in the U.S. Embassy bodyguard's case will reportedly testify on Wednesday at the 1st Court in Sensuntepeque. According to judicial sources, the witnesses had already testified but their version of the incident is confusing. It was added that Israel Vasquez, a driver, had said the Salvadoran bodyguard's death occurred as a result of an attack by robbers.

National Civilian Police sources indicated U.S. Major Ismael Lopez shot his bodyguard and killed him, later abandoning him inside the vehicle. The case has caused a controversy among the various government agencies because the U.S. military officer was illegally taken out of the country to Panama.

Air Force Plane Crashes; Cause Unknown

PA0902125794 San Salvador Canal Doce Television in Spanish 0300 GMT 9 Feb 94

[From the "Up-to-Date" newscast]

[Text] A search has been under way since last night for a Salvadoran Air Force A-37 Cessna airplane with two soldiers on board which, according to official sources, crashed into the Pacific Ocean. The cause of the crash is not known yet.

The Armed Forces' Center for Communications and Protocol [Centro de Comunicaciones y Protocolo del Ejercito] disclosed today the pilots on board are Captain Julio Cesar Godoy and Technician Juan Carlos Garcia. The airplane crashed into the ocean near Amatecampo Beach, La Paz Department.

According to the official note, Navy and Air Force units have been searching for the airplane ever since the accident was reported. The pilots were conducting night training when the accident occurred.

Honduras

Chief Jurist Reacts to U.S. Report on Honduran Justice

PA1002042694 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 9 Feb 94

[Report by Cristobal Sauceda for "The Morning Paper" newscast]

[Text] Supreme Court Chief Justice Miguel Angel Rivera Portillo has broken his silence, in the wake of the strong criticism of the Judicial Branch made by the U.S. State Department in a special report that alleges the Honduran justice is weak, politicized, and corrupt. The chief justice indicated efforts are being made to improve implementation of the law. If necessary, changes will be made, even if it means removing judges who do not adhere to the letter of the law. Let us listen to Rivera.

[Begin recording] [Rivera] We would have to analyze the whole document to see to what they are referring when they make those statements.

[Sauceda] Why isn't an analysis of the real situation of Honduran justice made in that document?

[Rivera] We are coping with the real situation of justice with the seriousness the case warrants, regardless of what the document says. The current government's goal is to implement the moral revolution announced by President Carlos Roberto Reina. As I said, regardless of what the government may say, we are prepared to improve justice so that it is a true justice meted out by just, honest, and competent judges.

[Sauceda] Are you saying you will fire all judges involved in corruption?

[Rivera] Of course. If it is confirmed they are corrupt, they will be arraigned in criminal court.

[Sauceda] This report claims that the law does not apply to the rich with political power but only to those without money or influence.

[Rivera] I must clarify that this report does not say that. It refers to the previous Supreme Court. When this report came out, we had not yet been elected to the Court.

[Sauceda] But you intend to clean the dirty face of justice?

[Rivera] As I said before, that is our intention.

[Sauceda] Will you answer the State Department document? Is it worth it or are they lying?

[Rivera] As I said before, this report does not refer to the Court over which I preside over but a previous Court.

[Sauceda] But what are you doing?

[Rivera] We are trying to change and improve the whole system. When the report said civilian justice is weak, we do not know whether it refers to civilian justice or justice administered by civilian authorities. In this case, there is the criminal justice, which is the one that interests the State Department most.

[Sauceda] Will you reply to this document?

[Rivera] I cannot give you an answer at this point. We are going to study it first and if necessary we will reply.

[Sauceda] Why does the United States, not those responsible for Hondruan justice, prepare this kind of report?

[Rivera] [Words indistinct] used to preparing that kind of report and investigate.

[Sauceda] What do you think of U.S. interference in Honduran affairs?

[Rivera] No, they cannot intervene... [pauses] That is a report they issue to all the people.

[Sauceda] Is it possible to change the bad image [words indistinct] Honduran people?

[Rivera] That is the intention all fellow justices have.

[Sauceda] How will this be done?

[Rivera] By choosing the most capable and honest judges who are ready to implement the law.

[Sauceda] Do we have honest judges here?

[Rivera] Of course, yes. There must be honest people here.

[Sauceda] Will you respect the judiciary?

[Rivera] We will respect it in the measure that judges fulfill their duties.

[Sauceda] Did all justices close their lawyer's offices?

[Rivera] I suppose so. My office has been closed since last June.

[Sauceda] The population is expectant over the offers made during the campaign by the politicians who are now in office. What do you say? Is law going to be applied now?

[Rivera] Of course. That is our intention. Otherwise, we would have not accepted this post. [end recording]

Nicaragua

Text of Peace Proposal by Cardinal Obando, Cuadra

PA1002031294 Managua LA PRENSA in Spanish 4 Feb 94 p 2

[Letter from Nicaraguan Cardinal Miguel Obando y Bravo and LA PRENSA Director Pablo Antonio Cuadra to President Violeta Chamorro issued in Managua on 3 February 1994]

[Text] As a result of a dialogue with General Humberto Ortega and his recommendations, and after discussing and reflecting on the current situation in Nicaragua with prominent professionals, intellectuals, and Nicaraguan citizens aware of and at times victims of the violence in the Nicaraguan north, we, Managua's Archbishop Cardinal Miguel Obando y Bravo, and Pablo Antonio Cuadra, the dean of Nicaragua's Catholic University and director of LA PRENSA, address the government, the Army—one of the key organizations involved in the problem—and through the government, the people in general, in the following manner:

We believe that the said violent situation, the constant bloodshed, and the citizens' insecurity that stems from the conflict as well as the impoverishment of the entire area make urgent the search of a comprehensive solution to the conflict, with the constructive participation of all the parties involved.

Therefore, we ask that those parties, the government, the Army, the 3-80 Northern Front [FN 3-80], accept the following commitments as a peace mechanism:

Commitments by the Army

1. Immediate suspension of offensive military actions in the country's northern area.

2. Withdrawal of soldiers currently deployed in the northern area to the area headquarters.

3. Appointment of a team of high-ranking officers comprised of at a maximum three who are not on duty in the region to form a special committee to investigate and clear up publicly any complaints regarding human rights violations in the north.

4. Establishment pari passu of a plan for the gradual withdrawal of the soldiers assigned to the northern area, to include the disarmament of FN 3-80 personnel.

5. Public commitment to guarantee the lives of those who have laid down their arms and the personal safety of FN 3-80 personnel.

Commitments by the FN 3-80

1. Immediate suspension of offensive military actions in the country's northern area.

2. Transfer of personnel to secure areas agreed upon in negotiations with the Army and the Government Ministry, under the supervision and protection of the CIAV-OAS [OAS-International Commission for Support and Verification], and human rights organizations.

3. Establishment pari passu of a plan for gradual disarmament of personnel, along with the withdrawal of soldiers of the Sandinist Popular Army.

4. Public commitment to permanent reintegration into civilian life.

Commitments by the Government and Social Action Ministries

1. Increase the number of National Police personnel in the northern area, and prepare them technically, civically, and morally to improve security guarantees and public order in the area.

2. Integration of FN 3-80 personnel in the process of increasing and training National Police personnel as disarmament proceeds.

3. Creation of a core development area in the north with clearly established fiscal resources to alleviate poverty and reactivate productive activities.

4. Appointment of a team of high-ranking officials to form the special committee mentioned above designed to investigate and elucidate publicly complaints regarding human rights violations in the north.

Commitments by the CIAV-OAS, Cardinal Obando y Bravo's Verification Commission, the Permanent Committee for the Defense of Human Rights, and the Nicaraguan Human Rights Association

1. Active participation in negotiating and supervising full compliance with the agreements.

2. Participation in the peace activities promoted by the special committee, which will be comprised of civilians chosen by His Eminence Cardinal Miguel Obando in addition to all other personnel mentioned above.

3. The Special Pro-Peace Committee will act as a mediator with other armed groups so that they sign similar agreements, thus attaining complete understanding among residents of the northern area.

If all parties endorse said commitments and accept implementation of this peace plan, we will solemnly celebrate this event, which we hope will make history, in the presence of those people who have contributed their reflections and experiences, as well as representatives of countries and international organizations that have expressed their intention to contribute to this peace plan.

[Signed] Cardinal Miguel Obando y Bravo and Pablo Antonio Cuadra

Army Orders Cease-Fire in North in Response to Recontra Bid

PA0902211294 Paris AFP in Spanish 1905 GMT 9 Feb 94

[Text] Managua, 9 Feb (AFP)—On Wednesday the Nicaraguan Army ordered an end to military operations in the northern part of the country, as requested Tuesday by leaders of the so-called recontras, thus paving the way for the culmination of the national peace process, Government Minister Alfredo Mendieta has announced.

The truce will be effective only in the northern region of the country where the recontras operate, Mendieta said minutes after opening a meeting attended by ranking chiefs of the Army, the Government Ministry, and the Catholic Church, as well as representatives of the OAS International Support and Vertification Commission (CIAV). The meeting will study a disarmament proposal submitted last Thursday by the Catholic Church and writer Pablo Antonio Cuadra, director of LA PRENSA, which is owned by President Violeta de Chamorro.

Last evening the so-called recontras announced a unilateral cease-fire and requested assistance in evacuating their wounded, one week after the Church announced its peace plan.

Army Chief Ortega Comments

PA0902221994 Panama City ACAN in Spanish 2047 GMT 9 Feb 94

[Text] Managua, 9 Feb (ACAN-EFE)—General Humberto Ortega, chief of the Nicaraguan Army, announced today the cessation of military operations against the so-called 3-80 Northern Front of the Nicaraguan "recontras" to allow the rebels a "short period" to disarm. The announcement was made at the end of a meeting

attended by Gen. Ortega; Government Minister Alfredo Mendieta; Sergio Caramagna, coordinator of the International Support and Vertification Commission of the OAS (CIAV-OAS); and Monsignor Eddy Montenegro, representative of the Nicaraguan Catholic Church.

The decision to temporarily suspend the military offensive is designed to allow the peace commission, comprised of representatives of the Catholic Church and the CIAV-OAS, to contact the rebel leaders so that disarmament can begin quickly, Government Minister Alfredo Mendieta explained.

The truce "only covers the operational area" of the 3-80 Northern Front led by former contra Jose Angel Talavera, alias "Chacal," Ortega said, after noting that the order took effect at 0001 (0501 GMT) Wednesday [9 February]. He added that in the rest of the country, where some rearmed groups and common criminals are active, military operations will continue to preserve the "security" of the citizens. "If the negotiations (for disarmament) fail, the offensive will continue," Ortega said.

The "recontras" had announced a unilateral cease-fire effective tomorrow, Thursday, as a "goodwill gesture" to seek peace and a negotiated solution to the armed conflict in northern Nicaragua.

Gen. Ortega, who did not indicate exactly what territory will be covered by the military truce, said this will allow the evacuation of "recontras" wounded in the recent fighting who have not yet received medical attention and have been caught in the crossfire.

The armed group led by "Chacal" operates principally in the mountains of Quilali Municipality in Nueva Segovia Department on the Honduran border.

"This truce sets a reasonable term in which the date for disarmament (of the 'recontras') can be established, which we hope will be done as quickly as possible," Mendieta added, after noting that the government will guarantee the lives and security of rebels who lay down their weapons and rejoin civilian life. Mendieta insisted "there will be no political-type negotiations" with leaders of the 3-80 Northern Front for the disarmament and demobilization of the recontras and that the government "is ready to start responding to their social demands." "I believe this is the best chance we have of solving the armed conflict and of peacefully resolving problems," Minister Mendieta said.

For his part, Sergio Caramagna, the CIAV-OAS coordinator in Nicaragua, said that in the coming hours they will attempt to contact "recontra" leaders to convey the government's proposal in an effort to end the armed conflict in the north. Caramanga also announced that he is taking a letter from Gen. Ortega to the "recontras" in which the military chief explains the facilities that will be extended for their disarmament in order that the "tragedy" being experienced by people in that part of the country may end soon.

According to the Army, the 3-80 Northern Front led by "Chacal," one of the most belligerent armed groups, is made up of 400 recontras, although a similar number of armed groups and common criminals operate within the country.

The phenomenon of the "recontras" began in 1991, after the government failed to provide several thousands of the 22,000 demobilized "contras" with the means for rejoining civilian life.

3-80 Northern Front Decrees Unilateral Cease-Fire

PA1002032394 Managua BARRICADA in Spanish 9 Feb 94 pp 1, 12

[Report by Jorge Katin]

[Text] Last night the 3-80 Northern Front decreed a unilateral cease-fire in an attempt to stop the EPS [Sandinist People's Army] military offensive and seek what could be the last chance for a negotiated solution to the conflict.

The notification arrived at the CIAV-OAS [OAS International Commission of Support and Verification], while Esteli Bishop Abelardo Mata and writer Pablo Antonio Cuadra finalized the details of the meeting to be held this morning with General Ortega and Government Minister Alfredo Mendieta.

The handwritten communique, signed by "Esteban, Piloto, Martin Negro, and Chacalin," is addressed to CIAV coordinator Sergio Caramagna and Bishop Mata.

"We hereby officially report that as of 10 February 94 the 3-80 Northern Front halts or suspends its military operations and (decrees) a cease-fire as a goodwill gesture for attaining peace and seeking a negotiated solution to the conflict," says the main part of the communique.

Bishop Mata said that this goodwill gesture from "the boys" of the 3-80 should be answered with a similar gesture by government authorities, who will meet this morning with the bishop and Pablo Antonio Cuadra.

EPS Reacts Favorably

EPS spokesman Lieutenant Colonel Ricardo Wheelock reacted positively to the announcement of the cease-fire by the irregulars.

"We applaud any initiative that implies an immediate disarming without political conditions," said the military spokesman. Wheelock agreed in that mechanisms must be implemented to protect those who surrender their weapons.

"This is the result of the EPS activity; two weeks ago the members of the 3-80 spoke differently and their demands were purely political. Now we see a radical change in their positions," added Wheelock.

One of the most urgent demands from the members of the Northern Front is the evacuation of an undetermined

number of wounded who, according to the bishop of Esteli, "could die or be left disabled."

Important Meeting Today

The military spokesman said the Army could collaborate in the evacuation, as he has been informed that there are many irregulars wounded.

Today at 1100, the Commission of the Cardinal and the CIAV-OAS will meet with Gen. Humberto Ortega and Government Minister Alfredo Mendieta.

A high-ranking government source told BARRICADA that "at that meeting, important decisions will be made to attain peace in that region."

On the other hand, the National Assembly ordered the Human Rights Commission to implement the necessary initiatives in order to make possible a conclusion of the conflict in the short term.

Carlos Gallo, president of the Human Rights Commission, and Deputy Anibal Martinez held a quick meeting with Bishop Mata and the coordinator of the CIAV-OAS to learn of the positions of the rearmed irregulars.

Gallo said it is possible that during the meeting with Minister Mendieta the parliamentary commission may ask the government to cease the Armed Forces' military operations.

"It would be a cease-fire that would become a lasting disarmament, not an unending exchange of opinions as has happened in previous months," added Gallo.

In the morning hours of 8 February, Bishop Mata had leveled serious charges against the EPS, which he accused of human rights violations against the peasant population during its operations in persecution of the "recontras."

Chamorro Explains Army, Police Presence in Chontales

PA1002035494 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 9 Feb 94

[From the "National" newscast]

[Excerpt] President Violeta de Chamorro brought a message of peace and reconciliation to the municipalities of San Francisco, Santo Tomas, and San Pedro de Lovago in Chontales Department, where she inaugurated various projects. Mrs. Chamorro issued an appeal to the irregulars, urging them to lay down their weapons and work in peace and tranquillity.

During the ceremony at Santo Tomas inaugurating six blocks which had been newly paved, President Chamorro said her government is currently studying the proposal presented by poet Pablo Antonio Cuadra and Cardinal Obando y Bravo in connection with the situation prevailing in the northern part of the country. She said similar proposals were presented in due time by the government and, in fact, it has offered various amnesties. Nevertheless, she said, certain groups are still up in arms.

[Begin Chamorro recording] I ask them to lay put down their weapons and seek a way to work in peace and tranquillity. [end recording]

Referring to the Army's presence in the northern part of the country, Mrs. Chamorro said that farmers have requested this.

[Begin Chamorro recording] I know many of the farmers—for example, local farmers—have asked me to send the Army, to send people to control the situation so they may work, produce, ship their coffee harvest, and ship everything. That is why the Army is there and that is why the police and everyone else are there—so that farmers may ship their harvests. [end recording] [passage omitted]

D. Ortega Recognizes Clinton for Lifting Vietnam Embargo

PA0902161694 Managua Canal Cuatro Television in Spanish 0300 GMT 8 Feb 94

[From the "Extravision" newscast]

[Text] Former President Daniel Ortega recognized the decision of U.S. President Bill Clinton to suspend the trade embargo on Vietnam that had been in effect since 1975 and called on the U.S. President to follow suit with the people of Cuba.

[Begin Ortega recording] What has happened? Despite the embargo and the blockade, Vietnam continued to grow and develop. Finally, in an intelligent and courageous measure—we must recognize this—U.S. President Bill Clinton decided to lift the trade embargo on Vietnam. We are now sending a message to President Clinton telling him that we recognize his courageous action of bringing justice to the Vietnam case because U.S. policy was unfair as long as the embargo and blockade were maintained.

We recognize President Clinton's courageous act because there are extremists in the United States who are already criticizing him for lifting the embargo against Vietnam. We also tell President Clinton that just as he was brave enough to lift the embargo on Vietnam, he must have the courage to lift the embargo on Cuba, because that is a real disgrace to the policy of U.S. leaders. [applause] [end recording]

The United States imposed the trade embargo on Vietnam in 1975, when U.S. troops were defeated by the Vietnamese people.

Brazil

Editorial Compares U.S. Embargoes on Vietnam, Cuba

PY0902181694 Rio de Janeiro O GLOBO in Portuguese 8 Feb 94 p 6

[Editorial: "Fallen Walls"]

[Text] Another taboo of the modern world has collapsed with the end of the trade embargo imposed by the United States on Vietnam. After 19 years the embargo was maintained mainly for historical reasons.

Little remains of the differences that led the two countries to war in the 1960's and 1970's. Vietnam has withdrawn its troops from Cambodia. With a single party system, and without worrying about subjects like human rights, Vietnam has gradually opened its market to the rest of the world.

The truth is that Vietnam allowed itself to be contaminated by the winds of trade and prosperity that turned the Far East into the greatest laboratory of economic experiences at the turn of the century. To a certain extent the embargo created more distress for American companies than for the Vietnamese themselves.

In a country where everything literally had to be constructed or reconstructed, capital from Taiwan, Japan, Singapore, South Korea, and from the former colonial world power, France, among other European investors, poured in.

Melting the ice with the United States was more difficult, but it began in the mid-1980's when the Americans were still grieving over the humiliation of the military defeat. Curiously, there were not as many difficulties on the Vietnamese side. The economic reforms thus gained momentum in 1986. Given the events in the USSR, the failure of Communism contrasted with the bewildering acceleration of the market economies in the neighboring countries.

U.S. goodwill, which Vietnam needed to gain access to international capital, was generated through a cooperative attitude over a subject that touched the heart of the Americans: The location of the prisoners of war whose whereabouts were unknown. Last year President Clinton withdrew the veto the United States imposed on help from international financial institutions. From then on, the embargo was psychological and political rather than economic.

We wonder when and how the same thing will happen with Cuba. The main objective of that embargo was to combat Communist infiltration in the continent and in the direct area of influence of the United States.

That motive no longer exists. The Cuban Government is in tatters and whenever they can, Cubans move from a government job to small private businesses.

Paradoxically the embargo is the only way Fidel Castro can still touch the nationalist feelings of the increasingly disillusioned Cubans. It is his last chance to carry the Cuban flag.

If the embargo were lifted it would be doubtful if the Cuban regime would survive the avalanche of opportunities that would be created by the arrival of capitalist agents, that is, development.

Armed Forces Activities Viewed

PY0802174494 Sao Paulo VEJA in Portuguese 2 Feb 94 pp 68-77

[Unattributed "Special Report" on the Armed Forces]

[Text] The Brazilian military are once again in the limelight. They are demanding a pay increase and new equipment. They have a pessimistic view of the frauds discovered by the CPI [Congressional Investigating Committee] that delved into the budget scandal. This is causing some concern. Now, in this presidential election year, the Workers Party [PT] is courting the military, promising them a sharp increase in their budget and even the possibility of stepping up nuclear research—meaning the atomic bomb. In an appeal to military discipline and propriety, President Itamar Franco summoned a retired general—[Federal Secretary] Romildo Canhim—to manage state-owned enterprises. Businessmen and professionals from different sectors have been meeting on a monthly basis with generals from the Armed Forces' high command. General Benedito Leonel, the Army chief of staff noted: "Someone will inevitably ask: When will the military return to power?"

Nine years have elapsed since Joao Baptista de Oliveira Figueiredo [president from 1979 to 1985] left Planalto Palace through the back door, and yet the military are still the talk of the nation. Whenever a wound is opened within the civilian regime, the prospect of a military coup looms large. There has not even been the slightest attempt to overthrow the government, besides, it is unlikely that such an adventure would be feasible in Brazil and in the world in the 1990's, yet the ghost in uniform has been invoked time and again. It emerged in the recent ravings of Justice Minister Mauricio Correa about a possible "self-inflicted coup like that of Peruvian President Alberto Fujimori" in Brazil with the support of the military. It reappeared during the Budget CPI, when Deputy Aloizio Mercadante [PT-SP] [Sao Paulo] deemed that it necessary to seek the advice of Army Minister Zenildo Lucena on the progress of investigations. Another example took place in Sao Bernardo do Campo last June.

The Horse Was Saddled

During a ceremony at which hundreds of well-known local figures were present, General Gleuber Vieira, the then Army deputy chief of staff, was asked clearly and directly by one businessman: "General, the only way for Brazil to recapture its former splendor is to send all the

politicians packing from Brasilia and establish the Armed Forces' Party. Shall we do this, with the people?" Another asked: "Why do the Armed Forces remain silent over this crisis, general?" Yet another chimed in: "In our Congress, only personal interests prevail. Is it not high time the Armed Forces intervened?" Considered one of the best educated and currently influential officers in the Brazilian Army, Gen. Gleuber Vieira made a brief statement which, in his view, was moderate. He said: "We are neither blind nor deaf, and our dumbness may only be temporary." He told one of these businessmen: "Never forget, sir, that we have taken the blows for 10 years and you never once stood up for us."

The Question and The Answer

As Gen. Vieira told VEJA: "They saddled the horse and wanted me to found a new Republic from its saddle."

He said: "I react in two ways when I see what is happening: As a citizen I would like to hit them for what they are doing, but as a general I know that would not solve the problem." He added: Latin America got rid of the military regimes in the 1980's, but what I see now is not the same all over. Civilian governments have done well in Chile and Argentina. Brazil had two consecutive failures: Jose Sarney struggled to finish his five-year term under the protection of Army Minister Leonidas Pires Goncalves, and Fernando Collor insulted the military as part of his campaign but ended up in the hands of the high military command. President Itamar Franco has cultivated friends among the military since he was a senator. Now he is in Planalto Palace he has showed that he likes to hand complicated problems to military men under the belief that they have the solutions. He appointed a retired colonel as the Federal Police chief and an active duty general to head the Sudene [Northeast Development Superintendency].

If all civilians are convinced that military interventions are history, why then is the IBOPE [Brazilian Public Opinion and Statistics Institute] measuring the popularity of the Armed Forces? Is it because part of the population says it trusts the military more than it trusts Congress? There is ambiguity among civilians and also among the military. But there is also clearness in the two sectors. This is why there are civilians who want to know if [PT presidential candidate] Lula da Silva will be installed if he wins the elections, and if he will be allowed to govern afterwards. (The answer from the military is yes but the problem is not in the answer but in the question). In a speech late last year, General Leonel spoke in a threatening way about "the rage of the Roman Legions." The general was asked what he meant. He put on a mysterious smile and employed a phrase commonly used in military schools to force students to think at least twice: "Interpretation is part of the question."

Military affairs experts believe this sort of behavior is no secret. Most current active duty generals were at the rank of captain in 1964. They have spent the following 20 years saluting their superiors who, in fact, assumed the leadership under the military regime. It would be stupid to imagine they were against what was happening. During a lecture entitled "The Shadow of the Generals" at the Brasilia University, Professor Luiz Felipe Miguel examined 1,693 articles written and published by officers in military publications between 1964 and 1991. He came to the following conclusion: "Contrary to what some authors contend, Brazilian military officers still believe in their tutelage over Brazilian politics." The fact that this ideology still prevails does not mean that one day it may be put into practice.

The Dog and the Thief

With an annual budget of $2.1 billion, the Brazilian Armed Forces are facing their worst crisis ever. Salaries are low and the equipment is getting rusty. Civilians rather than military men need to determine what is essential. Rather than knowing what is spent on the Armed Forces, it should be determined why—and how many—soldiers, generals, tanks, and corvettes are needed. During almost half a century of the Cold War, the Brazilian Armed Forces mainly focused activities on the struggle against the "internal enemy." The situation now is quite different. Military colleges are eliminating specific courses on so-called revolutionary movements. The focus of attention has shifted. Military men are concerned about the Amazon Region because they suspect anthropologists and missionaries may be the spearheads of foreign interests thirsty for the region's wealth. Another subject are the shantytowns of Rio de Janeiro, where crime and unrest may lead to what their textbooks call "convulsions," which has replaced ideology as the favorite doctrine of the textbook of past decades.

It is ironical that, following the collapse of the Berlin Wall, war has merely changed its status. Minister Zenildo Lucena asserts that "what used to be called the new international order has become a great disorder." Armed Forces commanders are aware that, compared with other world powers, Brazilian military inferiority is as great or even greater than during the 1950's when Brazilian soldiers trained with mules while the United States was studying nuclear war tactics. Navy Public Relations Commander Kleber de Assis, describes the situation: "The Brazilian Armed Forces should be like a dog in the back yard. The dog will do nothing most of the time, but it is there, ready to chase away a thief. We do not have anything like that now."

From the economic viewpoint, the Armed Forces are as badly off as Brazil. They are enduring the worse crisis in their history. Since Brazil's independence, the portion of the budget earmarked for the Armed Forces has never been as small as now—less than 3 percent. Comparing this with the GDP of other countries one can see that the Brazilian Army spends, relatively, less than Peru or Argentina, let alone the developed countries. Although more than 100,000 Brazilians do compulsory military service every year, the daily activities of the Armed Forces are a mystery to most citizens; but at least one aspect is no mystery.

The 350,000 military men protest the lack of money, closely watch with certain unrest the scandals in the political field, discuss the presidential succession and—wracked by the 5,000 percent annual inflation like all 150 million Brazilian citizens—can confirm that living conditions are atrocious. The higher echelons, which continue to be served decently by their subordinates, enjoy their customary comfort although even they complain: "In the past I was able to change my car every year, now I have something to drive only because my mother-in-law helped me buy a second-hand Monza," commented Vice Admiral Eugenio Carne Ribeiro, 58, commander of the 6,590-strong Marine Corps, one of the most prestigious in the Navy.

The situation among the lower ranks is even worse. Of the nine FAB [Brazilian Air Force] sergeants at an Air Force base in the northern region of the country, six are taking evening courses so that they can change their professions. Two are studying economics, two are studying accountancy, one is studying business management, and the sixth is studying medicine. At the end of the afternoon, when he leaves the barracks in Sao Gabriel da Cachoeira, 1,000 km from Manaus, an Army corporal goes to his second job. Video camera in hand, he covers baptisms, birthdays, and weddings. He works on weekends as a DJ at a modest but lively local discotheque. At the Rio de Janeiro Military Village, which houses the largest number of servicemen in the country—some 25,000 officers and noncommissioned officers from the three Armed Forces branches—many houses have signs offering other services such as private tutoring, manicure, car and house appliance repairs, home-made sweets, and even fortune-telling.

The similarities with life outside the barracks end there. The Army, Navy and Air Force are part of the Armed Forces, but they are quite different from each other. Two thirds of all uniformed personnel are assigned to the Army, the rest are divided between the Air Force and the Navy, with the Air Force having a slight advantage. More numerous, and with troops scattered throughout large urban centers, the Army has always had greater political importance. The Army proclaimed the Republic, supplied the cadres for the 1930 Revolution, organized the FEB [Brazilian Expeditionary Force] in World War II, supported and ousted Getulio Vargas, and imposed all the presidents during the 1964 regime. Today people look to the Army to learn the political mood of the military.

The military live in a closed and conservative world. They agree with the CUT [Sole Workers Center] and the PT in criticizing the privatization process, but they do not share the same ideology. According to a current military view, the PT's acceptance among the military is similar to that which it enjoys outside the barracks. The following is a good yardstick: Two tickets are disputing the elections at the Military Club which groups 22,000 active duty and reserve members; both tickets have adopted an anti-Lula stand. Another sign: Nilton Cerqueira, a general who headed the Military Club for two consecutive terms and who had the backing of the CUT to promote debates on state-run companies, is campaigning for PP [Popular Party] Deputy Alvaro Dias. The military world tends to safeguard its values just as it replaces its servicemen. The large majority of those who today follow a military career have a father who served in the barracks—the ratio is six out of every 10 among some in the Agulhas Negras Military Academy where the Army trains its lieutenants. But because salaries are low, it is not the sons of high-ranking officers who follow the military career. The majority are sons of sergeants and noncommissioned officers who will assume the Armed Forces command in the future.

It is true that a military career never enjoyed much prestige among families with a strong patrimony. During the 19th century, the aristocracy looked on military men with disdain. Historians allege Emperor Pedro II used a cruel definition when referring to the troops parading through Rio de Janeiro on their return from the war with Paraguay: "Legal Assassins." But there have always been young recruits from well-to-do families, with a vast educational background and access to a wider world. This situation is disappearing because a military career is less appealing. If this trend grows, it will have a fatal effect on how the military view themselves, and society. They are already living in a very enclosed world of their own without being further isolated.

Captain and Confectioner

It is a fact that military life is defined by hierarchy. Soldiers, corporals, and sergeants do not mix with officers. They do not eat the same food, they do not visit the same places, or swim in the same pool. Those who enter as recruits can only be promoted two ranks, reaching sergeant. They remain in that rank for the rest of their service life. Officers graduate from military academies, which offer university level courses. The first two promotions, to the level of major, are a cinch. From there on, the chances narrow. Less than half of a group of 100 lieutenants will be promoted to colonel, and only five will be promoted to general. Of this number and after 40 years in the military career, on average, only one will receive the four stars that signify the top-ranking post, that of Army general.

After that tiring race, the great winner, his excellency the Army general, will earn less than 1 million real cruzeiros per month. His earnings are one quarter of what a Supreme Court justice earns and less than half the 2.5 million real cruzeiros that senators and deputies earn. As you go down the echelon of command the cases become more dramatic: Air Force Captain Mauro Pimentel, 35, who took special computer courses in the United States, makes extra money by selling candies in a small shop in partnership with his brother near the Rio de Janeiro Military Village. He said: "If I did not have that business I would be living in a shantytown." In the Air Force that captain gets 500,000 real cruzeiros per month, selling candies he makes twice as much.

Sergeant Josue Carvalho of the Marine Corps is at the garrison from 0800 until 1600. From 1700 until 0100 he repairs television sets in the neighborhood. He said: "In the garrison I have work for two days per week," adding: "The remaining days I just kill time." What is happening with the military is like what is happening to public service doctors who, forced to take other jobs, see patients waiting in line, and even see patients die waiting in line. The same occurs with teachers who are so badly paid that state schools are only able to recruit the worst of each group.

The Armed Forces have the daily routine of bureaucracy like any other job. Most wait for a promotion to improve their standards of living, make an effort to educate their children, and protect their retirement. Then there are talented ones, brown-nosers, idiots, and ones with a refined intellect. Between these extremes is a majority where mediocrity prevails just like in any community. But military men have some traits. "Those who chose a military career want job security," said Luiz Fernando Peixoto, cabinet chief under Navy Minister Ivan Serpa. He added: "They know the country might be burning but their salary is guaranteed at the end of the month." Like priests enjoy security, echelons of command, and decisions within rigid lines, no one joins the Armed Forces with a desire for adventure. No one gets rich or famous in the Army. Life was always modest and in some cases even hard. Life can even be unbearable for many civilians called for mandatory military service.

Last year the Army called 1,013 students trained in medicine, 133 pharmacists, and 82 veterinarians for temporary service as lieutenants in the Training Center for Reserve Officers, CPOR. One of them was student Ricardo Migueis who was raised in Leblon. He was sent to Querari with an Amazon platoon on the border with Colombia. He lived in a wooden barracks with Indian huts as neighbors and a reservoir where the soldiers could swim. Contact with the outside world was by a plane that came once a month. Lieutenant Ricardo Migueis took care of sick soldiers and Indians. This is his story:

The worse part was the initial phase of the training that lasted 45 days. We ate monkey and alligator meat. One colleague could not stand the burden. He suffered a crisis, burst into tears, and went out of control for 24 hours. He was discharged. Another one broke his leg during the hardest exercise. He was hospitalized for treatment but escaped from the hospital. He was later found in Minas Gerais but was able to get his discharge. A border platoon is in the middle of the jungle, far from everything. There is no place for fun. He who is not married has no way of finding a girlfriend. Soldiers suffer a lot. Care should always be taken in the hospital ward. They break in at night to steal alcohol. There is also a lot of red tape, you must get authorization for everything. If there is a patient in serious condition and an urgent trip must be made, it cannot be done without authorization.

Colonial Vietnam

Researchers believe the Brazilian Army was created in the 17th Century, during the war to expell the Dutch. These were not movie-type attractive battles. The Portuguese Crown troops were joined by blacks headed by Henrique Dias and Indians with bow and arrows headed by Felipe Camarao, and this is how, like in a colonial Vietnam, the main world power of that time was defeated. Without money and unequipped, the Brazilian troops sustained a harsh blow from [Paraguayan President Marshal Francisco] Solano Lopez' soldiers at the beginning of the war with Paraguay. They represented the country in World War I, with tragic consequences. The lack of medical assistance was such that soldiers sent to the battle fields did not die from being shot in the trenches but rather on their way there due to the Spanish flu epidemic. The Brazilian Armed Forces have made a lot of progress but are still far from what the leadership aspires. Money is their biggest problem.

Defense rather than combat strategies are currently discussed at the Brazilian military academies where the great ally of the past is regarded as the possible enemy for the future. Many military men believe the wealth of the Amazon attracts the greed of great powers such as the United States. Under an extreme situation, those countries may promote an intervention under the pretext of fighting drug trafficking and defending the indigenous reservations. This is why Brazilian military men regard with suspicion the U.S. military maneuvers on the border. The truth is that if one of those attacks which foreigners like to plan were to materialize—attacks which are in reality only imaginary—the frail Brazilian defense system would be unable to even leave its post. Modestly speaking, Brazil is just one of several countries in a similar, or even worse, situation. Mexico, for example, whose Armed Forces only have strategies to confront the ragged Zapatists or an unlikely conflict with its southern neighbor, the minute Guatemala. As for its? northern neighbor, it has come to a hard but realistic conclusion. The difference is so great that, in the case of a more and more unlikely U.S. invasion following NAFTA, the Mexican Army would just wait and see what it can do. Military men, naturally aware of a Third, or even Fourth World apparatus, use this negative aspect as the great excuse to demand a bit more from the Federal Treasury, at least to keep up appearances.

Lead Pellets

The problem in Brazil today is that, if everything continues unchanged, the country must be told that the Armed Forces have become the Disarmed Forces. The state of the equipment is pitiful, although nobody expects to find Tomahawk missiles—the great attraction of the Persian Gulf War—on a Brazilian ship. Not just because they are not available locally but also because each missile costs $15 million. Neither can one expect the rifles to be fitted overnight with infra-red equipment that enables enemy targets to be hit in complete darkness. British soldiers had these during the Malvinas War,

which helped them hit Argentine soldiers who did not even know where the shots came from.

Brazilian military men believe, however, that some urgent improvements must be made. The Army would be much better off if it had a group of well-trained and equipped troops capable of immediate action anywhere in the country that has a 7,400 km borderline and 10 neighboring countries. Of the 235,000 Army troops, only some 20,000 to 25,000 are capable of this. Not much more is necessary. Some 50,000 men would be better but 40,000 would do. Minister Zenildo Lucena explains: "Nobody considers having an expensive Army under the present situation in the country." There could be more resources for training purposes: The artillery for its cannon training uses the same lead pellets used for the compressed-air rifles at fun fairs. This is not so bad because they are excellent for training the soldiers to improve their aim. They are also cheap. A single real cannon shot costs some $5,000. One must pretend that it is the genuine thing.

The other Armed Forces branches are no better off because they are paying the price of a common heritage. They were prepared for the Cold War years when it was thought the Brazilian Armed Forces would mainly be used to assist the United States in an eventual conflict with the USSR. This theory has disappeared and we are facing a situation of men and equipment trained to fight a nonexistent enemy. But now they are not even equipped to fight any adversaries that may (eventually) materialize.

Solo Flights

The Navy's problems start with its main ship, the aircraft carrier Minas Gerais. A relic of the British Navy, this aircraft carrier was refurbished upon its arrival at the Brazilian shipyards to fulfill a specific mission: To defend the Brazilian coast from an eventual attack by the Soviet submarine fleet. In view of this, the Minas Gerais only carries slow and heavy planes, those used to search and hit underwater targets. The Minas Gerais is equipped with missiles to attack approaching planes, but it is unable to transport light planes capable of confronting an enemy squadron at a safe distance so that the ship may not be damaged.

Former Navy Minister Admiral Maximiano da Fonseca said: "The Minas Gerais is in no condition to enter war, because it would have to be defended." The other ships are in a similar situation. Six frigates acquired 20 years ago from England were also outfitted to combat Russian submarines in the Cold War navy battle, but today they would be unable to defend themselves from bombs dropped from a small plane. They were already old when they were bought in 1973. The majority are 50 years old. The useful life of a vessel of this kind does not surpass two or three decades.

The Air Force is facing similar problems, but more centered on volume. The Navy is at least able to place its entire fleet at sea to conduct exercises. Like the Army it has sufficient resources to feed its troops. Although far from being a five-star meal, a military meal consisting of rice, black beans, salad and either beef, fish, or chicken: It would not fair too badly in a food tasting contest with factory restaurants. The Air Force business hours start at 1300 so as to save money on meals. For lack of money for fuel, half of its pilots will not fly this year. Those who do will fly museum pieces. The Mirages are so old the manufacturer has ceased to produce the spare parts essential for their maintenance. The AMX is a good plane, but it was also conceived for the Cold War.

Stigmatized

The combination of low salaries and outdated equipment worthy of a scrap yard is a pothole among intense dissatisfactions. The most noteworthy fact on the condition of the military today is the feeling of loss of prestige, both socially and materially. Until recently, military men were entitled to a bonus for the number of flight hours they flew, no matter the nature of the mission or its priority. They only had to buckle their safety belts and wait for the bonus to pay their bills at the end of the month. This privilege has been cut. They were also able to transform state-run companies into beautiful job sources. A colonel went into the reserves, and in addition to his retirement pension, received a second salary running in the millions. When a general did not receive his fourth star, he was appointed vice chairman of an industry as a consolation prize. These times are over.

Military men view the constitutional revision with reservation because they fear the situation will deteriorate even further. They fear their pensions will be placed under the jurisdiction of the miserable INSS [National Social Security Institute]. Although a military man's salary is bad, pensions are optimum. They receive their full salaries and a retirement bonus. When he goes into the reserves, a military man is entitled to the benefits of the next highest rank when he was on active duty. A captain becomes a major, a colonel becomes a general, and so on. Thus, the average pension of military men is about 14 minimum salaries, 10 times more than the pensions a common mortal receives from the INSS.

Military men feel stigmatized by the press, disdained by a good majority of cultured people, and mistreated by the administration they serve. The majority feels that if pros and cons were placed on the scale, their 20-year period in power was positive. They believe the term "military dictatorship" is offensive. They think those who use the term "military regime" are committing an indiscretion; and when they talk to civilians they tolerate as bearable the definition "authoritarian period." They detest being reminded of what they did wrong—the suppression of individual freedoms, censorship, and the missing—but love to remember what they did well. In fact, it was an Army School, the Engineering Military Institute, that drafted the project to establish a more modern telecommunications infrastructure in the country, better than that of our neighbors. They are proud of the growth rates during the miracle period, the

low inflation rate that prevailed at the time, and job expansion. (Never mention the foreign debt hike, please)

Cheaper labor

The military men of the 1964 regime may be accused of having turned a blind eye to the underworld of civilian deals made under their noses. They fought the corruption of their political enemies but remained impassive to the dirty money of their friends. However, when they retired it was obvious that none of them had amassed great amounts of money. Some sectors of the Armed Forces reveal an unusual competence in the state apparatus. They are capable of establishing and fulfilling long-term projects. Compared to the public enterprises that do not even inform the president of the Republic about their workers's salaries, they are disciplined and have a great working capacity. People can say what they like about the Brazilian war industry—it is expensive, subsidized, anachronistic—but the fact is, that when they built this industry, the military made it the fifth largest of its kind in the world. Some may feel that the research carried out by the Navy is a waste of time and money but its laboratories, which even produce artificial sweeteners for the admirals' coffee, has managed to master the uranium enrichment technology and is now working on a nuclear-propelled submarine.

The Armed Forces, as if they felt they must justify their existence at any cost, currently engage in activities that have nothing to do with the military world. In Parana the Army is involved in an old railway project, the Ferroeste, to transport soybean through the state. A consortium of private enterprises wanted $300 million to build a portion of the railway line. It was established that two engineering battalions could do the job for $200 million and the deal was closed. The project is doing well. The price quoted by the construction companies was undoubtedly abusive but the project in Parana begs the question: Does the country needs the Armed Forces just because there are not enough trains to transport soybean. Rio de Janeiro is another example.

The city loved the tanks and rifles that guaranteed the normal development of ECO-92 [UN sponsored environmental conference]. The 7,000 inhabitants of the Roquette Pinto shantytown now celebrate the presence of 20-men patrols from a nearby battalion that several times a day visit the town. The shantytown dwellers were registered and those who did not have an identity card were given one. A mother care unit that was not operating was reformed and a health unit with three military physicians and three dentists will be established. Roquette Pinto, which in the past was a drug traffickers and consumption center, has now become a peaceful area.

There was probably no alternative. Last October, shots from Roquette Pinto hit the barracks. It is obvious this is not a solution because Army soldiers are not trained to deal with the civilian population, their idea of discipline cannot be applied to the daily activities of a common citizen and experience has proven that they can end up involved with local delinquency or cause tragedies among well intentioned people. This was the case in Volta Redonda when Army troops called to intervene a workers' strike ended in the death of three workers of the plant. Or, under the 1964 regime, when officers assumed the work of interior Ministry agents and ended up stained by the habit of beating up students who were handcuffed.

Last week in Rio de Janeiro, members of the Army Police [PE] occupied the Rio de Janeiro-Niteroi bridge which had been blocked by a demonstration against the constitutional revision. Fearing a demonstration that could upset the city, Governor Leonel Brizola requested the PE's intervention. Brizola withdrew his request when he realized that the PM [Military Police] could control a few demonstrators but it was too late. General Bayma Denis, the Military Command of the East commander, did not withdraw the soldiers. The traffic began to circulate a few minutes later but a true political uncertainty was experienced: Knowing who is the real boss in the portion of the Guanabara Bay between Rio de Janeiro and Niteroi.

Funds and Mentality

If the military are not supposed to replace contractors, play the role of police, or much less, control transit, what should they do? That is the question. If they exist to fulfill the functions defined by the Constitution, like preserving internal and external security—always "at the request" of one of the branches of government—it is true that the Armed Forces are not only poorly paid, they also improperly spend the scarce funds that they receive. There is an excessive number of personnel at higher levels. In several garrisons, there are generals doing the work of colonels. There is an excessive number of intermediate officers whose duties are almost decorative and who repeat to their subordinates the instructions they received from their superiors. A fax machine would be cheaper and without the risk of making a mistake. It is a closed system in which even a citizen without any devotion or capacity for the job can stay, earn some promotions, and after a career with job stability, can retire without any shock. If the Army needs only 50,000 well-trained men to cope with any emergency, why does it keep 235,000 soldiers in the barracks? And why are the majority of the troops of the three forces in large urban centers, when all three have defined the Amazonas region as their main priority?

There is a problem involving funds, but there is also a problem of mentality. This is a debate that has not been held in Brazil for a long time, a debate on a project for Brazil. The Armed Forces are not surviving in an empty environment, as if they lived alone. They are an instrument of a country that has specific objectives and priorities, and established values imposed at the various levels of the state. Despite wrongdoings in the economy, democracy became mature through the dismissal of a corrupt president and the self- purge of the Budget CPI.

Now is a good moment for a needed debate on what the country expects from its Armed Forces. Even they would like very much to see the matter clarified.

Germany Threatens To Break Nuclear Accord

PY0902132894 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Feb 94 p A8

[Article by correspondent William Waack in Berlin]

[Text] Germany is prepared to renounce its nuclear agreement with Brazil, suspend any transfer of high technology (including that for submarines and space exploration), and withdraw its support for the Brazilian candidacy to a permanent seat in the future UN Security Council unless the Brazilian Senate ratifies those treaties whereby Brazilian nuclear activities are subjected to international inspections and controls. The governments of Brazil and Germany are concerned about the Senate's position, which could markedly undermine the visit Brazilian Foreign Minister Celso Amorim will make to Bonn late this month.

The main items on the agenda of Brazilian-German relations—including technological cooperation to be implemented by the private sector—now depends on the position of the Brazilian Government on the subject of nonproliferation of nuclear technology. In Bonn, the seat of the German Government, there exists the conviction that the overall credibility of the German foreign policy—especially in the eyes of its western counterparts—would be jeopardized if it does not discontinue every form of cooperation on advanced technology with Brazil should the Brazilian Senate fail to ratify two treaties: One containing amendments to the Tlatelolco Treaty (which bans nuclear weapons in Latin America and establishes controls) and a quadripartite agreement signed by Brazil, Argentina, the (Vienna-based) International Atomic Energy Agency, and by the recently created joint Brazilian-Argentine agency (which establishes comprehensive inspections and controls on nuclear activities by the two countries, which are described as "full scope safeguards." [given in English])

German laws require that the Brazilian-German nuclear agreement signed in June 1976 be renounced, regardless of which party is in the government at the end of this year (general elections are scheduled for 16 October). Through this agreement, Brazil gained access to various stages of the nuclear fuel cycle, in addition to obtaining technological transfer and to reaching a commitment to build two large nuclear reactors (Angra-2 and Angra-3). The German Government cannot cooperate with a country which is not a signatory of the Nonproliferation Treaty (NPT)—which is the case of Brazil—or which has not agreed to another international control regime. Unless it is rescinded by either of the two parties, the agreement will be automatically renewed at the end of 1994 for another five years.

To maintain its credibility, the German Government is prepared to go as far as shouldering the financial consequences of reneging the contracts to build the Angra-2 plant, which is guaranteed by the Hermes insurance company (that is, German taxpayers may lose hundreds of millions of marks).

There is adequate parliamentary support for the government to take such a decisive course of action. An influential group of Social Democratic deputies has been campaigning since last year to get the nuclear agreement renounced on the grounds that Brazil has failed to join the NPT and that it refuses to submit its activities to international inspection. Most conservative deputies of the ruling German party (the Christian Democratic Union) firmly believe that "if the price to pay to secure a permanent seat for Germany on the UN Security Council is to support irresponsible countries like Brazil or Nigeria, it would be a very high price to pay," as a leading spokesman for the Christian Democratic bloc recently put it to a ranking Brazilian counterpart in Bonn.

The German reaction to the Brazilian Senate's behavior has been unanimously conveyed by several German circles, the private sector included. "Brazil will not receive a single screw from Germany if the Senate fails to ratify these treaties," is a widely repeated phrase. The campaign on the nuclear issue has already had an impact on other sectors: A visit to Germany scheduled for February by a Brazilian delegation has been canceled without clear explanations. This delegation was to have studied the impact of Brazil's proclaimed decision to join the Missile Technology Control Regime (its English acronym is MTCR) on Brazilian-German space exploration projects, which is being partially implemented by a subsidiary of Daimler-Benz. According to a high-placed source in Bonn, Siemens executives have also voiced concern about the fact that the Brazilian Senate is provoking a situation which in practice will preclude any advanced technology transfer to Brazil.

Brazil is on the "H list" (from which Argentina has just been excluded), which forces any German exporter or supplier of sensitive technology item to Brazil to obtain special authorizations before concluding any deal. It has been stated in Bonn that if the Senate fails to accept international controls on Brazilian nuclear programs, the above requirement would also be applied to projects such as the transfer of technology for building conventional submarines. Yet, if the Senate ratifies these agreements, the German Government would be willing to consider building a nuclear powered submarine—a major project of the Brazilian Navy—as "a borderline case" not explicitly banned by the Tlatelolco Treaty or by the quadripartite treaty. This project may thus be continued.

There has been wide speculation and conjectures in Bonn about the existence of "skeletons in the closets" of the military; that is, about whether international inspection teams may yet find undisclosed atomic projects in

Brazil. The German Government speculates as to whether the reasons behind nonratification is prompted by the Brazilian Senate's failure to understand that this is a far-reaching subject that it has many implications, or whether there are "other motives" for its reluctance to agree to the international inspections. In official and unofficial remarks, German officials have noted, however, that they have no indication to conclude that Brazil is running undisclosed parallel atomic programs.

The German Government is both perplexed and scared by Brazil. It has been openly contended here that a few powerful people are hurting the interests of the Brazilian nation in the name of "things of the past and of outdated positions," an argument that is often used to refer to the Brazilian Senate. Officially, the German Government is not supporting any country in the reorganization and (expansion) process of the UN Security Council. Informally, however, it is known that Bonn would support Brazil at the United Nations. Yet, this will fundamentally depend now on the nuclear issue.

German perplexity does not stem from the behavior of the legislature—which is marred by corruption scandals—alone but also from that of the executive branch. In Bonn, no one knows for sure whether the construction of Angra-2 will be completed. Wishing to conclude the project, the Germans have expressed desire to supply additional credit and even to finance Brazilian counterpart funds (nearly $750 million), arguing that it would be cheaper to complete the 1,300 megawatt plant now than to cancel the entire project. It is not known, however, what President Itamar Franco will decide. In 1978, Franco presided in the Senate a congressional investigating committee on the Brazilian-German nuclear agreement.

Another problem that scares many people in Germany is the fact that Brazil is having difficulties in obtaining agreement with the IMF, a condition for reaching an agreement with the Paris Club, which encompasses all of Brazilian governmental creditors. Germany is the main trade partner of Brazil within the European Union and it is the second leading investor of risk capital in Brazil, second only to the United States. The German Government is thus concerned about the constitutional revision because it believes foreign investors in Brazil are treated differently from or worse than domestic investors.

It has been noted in Bonn that German Foreign Minister Klaus Kinkel touched on all these topics during his visit to Brasilia in October. The Brazilian foreign minister's visit, which seeks to strengthen German-Brazilian relations, which was described as strategic for both countries (during the Geisel administration) could be seriously undermined if the Senate does not change its position. It is feared that Amorim may come to Bonn only to hear complaints, without being able to give any kind of explanation.

Minister May Delay German Visit Until Nuclear Treaty Signed

PY0902153494 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Feb 94 p A8

[Text] Brasilia—Foreign Minister Celso Amorim may postpone his trip to Germany, which was scheduled for the end of the month, following the delay by the Senate in ratifying international agreements on nuclear safeguard. O ESTADO has learned that the minister is not willing to be questioned by the German Government, which conditions participation in programs including the transfer of high technology to Brazilian guarantees that it will use nuclear energy only for peaceful purposes.

The Senate Foreign Affairs Committee must ratify amendments to the Tlatelolco Treaty and to the quadripartite agreement signed between Brazil, Argentina, the International Atomic Energy Agency (IAEA) and the Brazilian-Argentine Agency for Accounting and Control (ABACC). After months of negotiations, Senator Dirceu Carneiro (Brazilian Social Democracy Party - Santa Catarina), who coordinates the Committee's project for nuclear safeguard, endorsed on 3 February amendments to the text of the quadripartite agreement for the supervision of nuclear research in Brazil. The text, however, was not voted on for lack of quorum. There will probably be no quorum in the next meeting of the Committee, which will take place on 10 February, one day before the Carnival weekend begins.

Foreign Minister Amorim has not officially confirmed if he will postpone his trip. He admitted on 4 February, however, that he would like to continue negotiations with the German Government. He said: "It would be much better if I could take with me two ratified accords. Instead of being questioned about them, we would be free to begin talks about scientific cooperation and access to technology," adding: "I believe Congress is fulfilling its duty and analyzing the texts." The minister admitted that Germany may be "concerned" about possible consequences of a delay in ratifying these agreements. "Nonetheless, Germany is aware that the delay is not caused by lack of interest," he said.

Senate Gives Final Approval to Nuclear Safeguard Agreement

PY1002000694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2051 GMT 9 Feb 94

[Text] Brasilia, 9 Feb (AFP-NA)—After introducing a controversial amendment, the Brazilian Senate today gave final approval to a quadripartite agreement with Argentina, the IAEA (International Atomic Energy Agency), and the ABAC (Brazilian-Argentine Agency for Accounting and Control of Nuclear Material).

The document was approved after inclusion of the supplemental adjustments [ajustes subsidiarios] that already had been negotiated by Itamaraty and IAEA, which were imposed by senators who even threatened to reject the project.

The adjustments will preserve Brazilian technological secrets, but will permit special ABAC and IAEA inspections of any nuclear materials produced by Brazil.

Foreign Minister Celso Amorim, who was fully satisfied with the agreement, will be able to travel to Bonn—he will leave on 21 February on an official visit to Germany—without fearing that his interlocutors may threaten to adopt retaliatory measures, which would have been likely had Brazil failed to ratify the agreement.

A report indicated that ABAC is making an inventory of Argentine and Brazilian nuclear facilities and materials, and the IAEA will make an inspection in the two countries within the next 60 days.

For Brazil, the ratification was something totally new because the country had never ratified a nuclear safeguard agreement.

The quadripartite agreement is broader than the Tlatelolco Treaty, which includes all Latin American countries. The voting on the ratification of this treaty had been postponed (perhaps for today or a date after Carnival).

Today's debate, which lasted more than two hours, developed after a Senate request for an amendment, which was finally approved and establishes that "all changes to supplemental adjustments will be approved by Congress."

Chile

Interior Minister Contradicts U.S. Human Rights Report

PY1002014894 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 10 Feb 94

[Passages within quotation marks recorded comments by Interior Minister Enrique Krauss]

[Text] Interior Minister Enrique Krauss said the crisis at the Copper Corporation, Codelco, has not stained the country's image abroad as Senate President Gabriel Valdes claimed in Valparaiso on 8 February.

"I do not believe the country's positive image abroad has been harmed. Undoubtedly the Codelco affair is significant and serious, but it is hardly fair to see it as some sort of collapse. It would be a gross exaggeration to do so. As I see it, Codelco is not broke and the country is operating normally."

Krauss categorically stated that no human rights have been violated in Chile, contrary to what a U.S. Department of State report has claimed.

"Human rights are most definitely respected in Chile. I do not believe that any Chilean or foreigner who truly knows how things are here could say that human rights are violated in Chile. Any resident of this country who may feel that his or somebody else's human rights have been violated is free to go to court."

Krauss explained that in any democratic state violations must be reported to the courts, not to the government.

Electoral Service Approves Congressional Election Results

PY0902203094 Santiago EL MERCURIO in Spanish 26 Jan 94 p C3

[Excerpt] The National Electoral Service (Tricel) has officially proclaimed the senators and deputies who were elected in the December 1993 elections.

The lawmakers were thus authorized to assumed their posts on 11 March.

Tricel President Enrique Zurita Camps, who is also a Supreme Court member, delivered to the presidents of the Senate and the Chamber of Deputies, Gabriel Valdes and Jorge Molina, respectively, the official document with the proclamation of the citizens who were elected congressmen.

Zurita Camps reported that neither of the two appeals filed on the election of senators or any of the 42 appeals filed on the election of deputies were granted. Consequently, the figures released by the Interior Ministry after the elections have not been substantially changed. [passage omitted]

Colombia

Council of State Head on Decision Against Gaviria

PA0902124494 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0240 GMT 9 Feb 94

[Interview with Amado Gutierre, Colombian Council of State president, by reporter Rodrigo Barrera; place not given; from the "CMI Newscast"—live]

[Text] Attention: For the first time in Colombia's history, the Council of State is advocating a political trial against the president of the Republic on charges of contempt of the Constitution. The Principal Court of Administrative Disputes was not satisfied with President Gaviria's explanations on the presence of U.S. military soldiers in Colombia. Rodrigo Barrera is with the Council of State president now. Good evening, Rodrigo.

[Barrera] Good evening. Council of State President Amado Gutierre, what steps will the council take now that it presented this charge against the president of the Republic?

[Gutierrez] We have nothing further to do. Our actions are limited to sending our declaration to the Congressional Investigation and Charges Commission [comision de investigacion y acusacion de la honorable camara] and to the Attorney General. It is for them to decide on

this institution and on the official [not further identified]. We cannot take any further steps, because we do not know if the congressional commission will decide to initiate a political process or if the attorney general will open a disciplinary investigation. This refers to the charges against the institution and the official.

[Barrera] According to the Council of State, there are enough merits to initiate a political trial, however. On what basis was this decision made?

[Gutierrez] We simply stated the presence of foreign military troops, as well as foreign war aircraft and ships, in our national territory does not conform to the Constitution and violates our national sovereignty.

[Barrera] Thus, Congress has to take it from there?

[Gutierrez] The congressional commission has to decide now whether it will open a political trial.

[Barrera] In his letter, the president has told the Council of State the Defense Ministry had the autonomy to approve those actions. Why was his argument unacceptable?

[Gutierrez] Because the end of that document states the agreement was signed with the authorization of the respective governments. It is understood that a government is the president of the Republic and his ministers.

[Barrera] Stated differently, either the president has lied to the Council of State or the minister has lied to the president.

[Gutierrez] I cannot determine this; the commission will do so once it studies our declaration, as well as the attorney general if he decides to do so.

State Council Communique on Presence of U.S. Troops

PA0902135594 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 9 Feb 94

[Communique issued by the Colombian Council of State in Santa Fe de Bogota on 8 February; from "Caracol's 0600 to 0900" newscast]

[Text] The Council of State, meeting in full chamber while evaluating the report sent by the president of the Republic on the presence of foreign troops, military vessels, and aircraft in national territory, unanimously states:

1. The government has at no point asked for an opinion to permit the transit and permanence of foreign troops as well as foreign military vessels and aircraft in the national territory in accordance with the provisions of Articles 189, No. 7, and 237, No. 3, of the Constitution.

2. In light of the Constitution, the council does not find convincing the government's explanations on the decisions it has made concerning this matter, because the interpretation of the text of the same and the treaties and agreements signed by Colombia goes against the letter and spirit of the Constitution and violates national sovereignty.

3. From the same explanations, it can be deduced the Senate did not grant the permission established by Article 173, No. 4, of the Constitution.

4. Given the de facto situation that was created, it believes U.S. military troops, vessels, and aircraft are in Colombian territory without fulfilling the requisites established in the Constitution.

5. According to Article 9 of the Constitution, the president of the Republic is responsible for the Colombian state's foreign relations with absolute respect for national sovereignty; consequently, it is unusual for the president to state the defense minister gave the authorization without his previous knowledge even though the memorandum of understanding signed by that minister with the U.S. ambassador on 29 October 1993 establishes that they are acting with due authorization from their respective governments.

A copy of this statement shall be sent, along with the letters exchanged between the Council of State and the president of the Republic, to the Honorable Chamber of Representatives Commission To Investigate Charges and to the nation's attorney general so (?they can do their job).

Copy to the president of the Republic.

[Issued] Santa Fe de Bogota, 8 February.

Government Issues Declaration

PA0902143694 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 9 Feb 94

[From "Caracol's 0600 to 0900" newscast]

[Text] President Cesar Gaviria's government has reaffirmed it has violated neither the letter nor spirit of the Constitution by authorizing the presence of foreign troops and aircraft in national territory. Following the decision by the Council of State—which is unconvinced by the president's explanations on the issue—a copy of which was sent to the Chamber of Representatives Commission to Investigate Charges and to the Attorney General's Office, the Presidential Palace issued the following declaration:

1. The Council of State, by saying the government's explanations government are unconvincing, has adopted an interpretation contrary to the traditional interpretation that has prevailed in the nation for the past 45 years.

2. Therefore, points 1,2, 3, 4, and 5 of the Council of State statement on the absence of permission from the Senate or a decision from the very council are the consequence of this new interpretation. Neither Senate permission nor a Council of State decision was

requested, because it is considered we are dealing with international treaties that do not so require.

3. The government does not believe the president of the Republic has violated the letter or spirit of the Constitution.

4. The government has delivered to the media a copy of the letter the president of the Republic has sent to the Council of State in which the government cites what it considers a correct interpretation of the Constitution on the issue.

5. What the Constitution seeks to establish is a procedure for granting permits for the transit of foreign troops that have intentions of war against third nations. It does not seek whatsoever to regulate joint training operations, high-tech operations, equipment maintenance, or technical assistance that are part of international treaties in force.

6. The acceptance of the legal interpretation of the Council of State would end military-technical cooperation between Colombia and other nations, particularly cooperation on which Colombia has insisted so much in its struggle against drug-trafficking cartels.

7. Despite the Council of State's statement, this does not have a bearing on the validity of international treaties signed by Colombia, nor does it constitute a ruling or a sentence regarding the government's conduct on the issue.

The Narino Presidential Palace declaration concludes by stating President Cesar Gaviria is planning a news conference during which he will once again broach the touchy issue.

Minister Comments

PA0902131394 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 9 Feb 94

[From "Caracol's 0600 to 0900" newscast]

[Text] Santa Fe de Bogota—The national government stated moments ago the Council of State's opinion on the presence of foreign troops in our country does not obligate it to suspend or repeal the agreements signed by the Colombian Government in this regard.

Government Minister Fabio Villegas, the minister in charge of political issues, said the position voiced by the high-ranking tribunal [as heard] does not obligate the government to immediately withdraw the troops, which are in Juanchaco and which have created a serious controversy among various sectors of the country.

He insisted the Council of State did not issue a ruling, rather, an opinion that will now be debated at the Charges [Acusacion] Committee of the Chamber of Representatives and will be studied by the Attorney General's Office.

The Executive Branch stated in a communique the president of the Republic violated neither the letter nor spirit of the Constitution. The executive branch will not avoid the political debate at the Congress of the Republic. It is not our goal to deceive anyone, because the documents which contain these agreements have been at the Colombians' disposal, and thus, there is nothing secret, the government minister added.

Defense Minister Comments

PA0902190994 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 9 Feb 94

[Report by Sandra Vergara from the "National Newscast]

[Text] Defense Minister [Rafael Pardo] has joined President Cesar Gaviria at the center of the scandal over the presence of U.S. troops in Colombia because Pardo signed an agreement without first advising the president. The minister is currently in Juanchaco inspecting the controversial projects with some congressmen.

[Begin recording] [Vergara] How do you feel about the upcoming political trial against you and the president?

[Pardo] I have absolutely no doubts; no legal or political doubts. There is nothing dishonorable about this, nothing I would term as a mistake. Our actions have always been based on a legal interpretation that we consider correct, and also on factors of convenience that we consider important.

[Vergara] Did the president know about this agreement? It has been said that he did not know about it; that his signature appears on the document but that he knew nothing about it.

[Pardo] The president is aware of how these agreements are established. He is aware of how military cooperation procedures are handled. The president was not consulted about the content of this memorandum of understanding because that would have been a deviation from normal procedures. This is directly under the jurisdiction of the Defense Ministry. [end recording]

[Vergara] Minister Pardo and the congressional Foreign Relations Committee are inspecting Juanchaco to determine what projects are actually taking place in that region.

Gaviria on State Council Decision

PA0902215294 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1710 GMT 9 Feb 94

[News conference by Colombian President Cesar Gaviria with unidentified moderator and domestic reporters at Narino Presidential Palace in Santa Fe de Bogota; broadcast in progress—live]

[Text] [Gaviria] ...that allow military members of other countries to undertake joint exercises with the Colombian military in the implementation of old practices that are backed by international agreements. Unfortunately, in response to a well-founded legal document that I sent to that judicial body some days ago with the utmost respect, a press communique was released that lacked legal arguments. I learned of the communique through the media, not through proper channels, as if it were more important to generate a particular climate of public opinion than to strictly carry out a legal procedure.

This attitude contrasts with the one I assumed with the State Council, to which I gave detailed and confidential explanations, aware of the implications that this debate has for our country in the national and international arenas. I received the news with the peace of mind of knowing that these types of operations are necessary, useful, and opportune for Colombia, as well as with the confidence that the legal arguments that the State Council rejected are solid and that the decisions that were made do not violate the Constitution, which, under the leadership of this administration, embodies the great changes that Colombian society had demanded for years for its political organization.

I continue to believe that we had to strengthen the institutions that exert control and give Congress the means to exercise its oversight function of the actions of the executive branch. That is why we will be ready to provide Congress, the body to which the State Council decided to remit the issue, with the explanations that it considers relevant with the assurance that they will not be rejected with the stroke of a pen but analyzed strictly and calmly.

From what is inferred from the brief statement of the judicial institution, it seems that the State Council has given a constitutional provision a scope that it obviously does not have. They are trying to claim that the duty of requesting Senate or State Council permission for foreign troops to temporarily enter our country means that it is necessary to request such permission for any foreign military man to enter Colombia, regardless of the purpose of his visit. Such an interpretation has led to the absurdity of asserting that to allow the entry of the military attaches, which dozens of countries have in Colombia, just as we have in as many countries, would require that permission, or that a joint intelligence operation to pursue a criminal would require the prior meeting and pronouncement of the Senate. It would also mean that valid international agreements with long-standing traditions, such as the Inter-American Treaty of Reciprocal Assistance and the 1952 Military Assistance Agreement, have somehow magically lost their effectiveness and that Colombia should therefore fail to fulfill all their clauses. It is clear that this is not the spirit of this Constitution nor of the constitutions that have governed us since 1821, which have invariably established a similar policy.

What the political Constitution seeks is to establish a procedure for granting permission for the transit or stationing of foreign troops that have warlike objectives against a third country. It does not in any way seek to regulate joint training operations, the operation of advanced technological equipment, the maintenance of equipment, or technical assistance, all of which are part of valid international treaties. If this issue of such importance had been studied very carefully, it would not have been difficult to conclude that this norm was established for situations in which foreign armies are confronting other nations, a situation in which the nation's neutrality would be compromised and which would obviously demand a pronouncement from the Senate, which is also empowered to declare war.

The State Council should remember that the drafters of the Constitution of 1886 had in mind the Isthmus of Panama, which we then held, which explains the reference to the docking of foreign war vessels. Since 1926, the State Council has very clearly identified the cases in which prior authorization by that body was unnecessary. These statements should still be completely valid. The State Council has said that acts befitting brotherhood and international courtesy and all those the Constitution endows on the president as the supreme administrative authority do not compel the government to consult the State Council.

Can a judicial body say that we are responsible for certain things because we abided by previous rulings?

About 17 months ago, days after the escape of Escobar, in response to a concern publicly voiced by the then State Council president, I forwarded to that body a statement where I made the same arguments I am reiterating now. At that time, the State Council, the same State Council that today is changing Colombia's traditional legal interpretation of this matter, did not refute the arguments in my letter but seemed instead to agree with and accept them. We are facing an unusual cirucumstance, where the president is being held responsible, not for making a decision but for sharing and supporting the legal reasons on which it was based and that the State Council had traditionally accepted.

The State Council's statement is not a legal decision. It simply apprises Congress of its action, and, I must point out, the government has provided all the documents, and the Judicial Branch has only said it does not find the State Council statement convincing.

The consequence of this decision is no other than the acknowledgment by the selfsame State Council that it lacks the authority to review the alleged violation of the Constitution and order the appropriate sanctions, all of which falls within the purview of the Congress. The State Council's statement is not legal but political. The vagueness of the statements of that body, and even the fact that its president is arguing over the radio that Colombian artisans can build a little school, do not constitue a legal

argument worthy of response. Until a competent organization makes a decision, we will continue to pursue international cooperation and any joint exercises the government may consider essential to improve the training of our military forces. This cooperation, which is most advisable for the country, is based on international treaties ratified by the Congress. These exercises merely constitute the implementation of these treaties and not a de facto situation. Cooperation in intelligence, advisory services, and maintenance is vital in the struggle against criminal drug trafficking organizations.

The radical interpretation expressed in the State Council's press statement may benefit drug traffickers and will, undoubtedly, weaken our capability to deal with crime.

Colombians, I understand there may be those who disagree with the joint exercises conducted along Colombia's Pacific coast. I cannot ignore a shallow legal interpretation that may make us renounce operations that are indispensable to defend ourselves from crime and drug trafficking. As a matter of fact, the government has admitted there have been flaws in keeping the public informed. Perhaps this has prompted different people from speaking out against military cooperation with the United States. I am certain that once people hear my explanations today that many will change their opinions. We have conducted different joint actions with the U.S. Government to improve and increase the efficiency of our police operations.

We have received technology in the form of radar equipment that is directed and operated by Colombians and for which U.S. personnel provide us with advice and maintenance. We have conducted joint engineering exercises for the construction of various projects. Almost 100 Colombian soldiers are currently in the United States participating in operations similar to those that have come under fire in Colombia, and it has never even crossed anyone's mind that those soldiers might pose a threat to the sovereignty of the United States.

In all this debate there are at least two contradictions. The first is the belief that these efforts to improve the Colombian public force's training and efficiency constitutes a violation of our sovereignty when, in reality, these efforts are aimed at guaranteeing our sovereignty.

Sovereignty is much more at risk with a nation in the hands of criminals and drug traffickers, with a nation lacking the capacity to react to criminal activity, with a state baffled in the face of thousands of clandestine flights by foreign and local aircraft that are trafficking drugs, than with a state apparatus that appeals to international cooperation to guarantee the rule of law and the legitimate exercise of the rights of its citizens.

It is also surprising that we demanded the international community's support for the Colombian people's brave struggle against the major drug trafficking organizations, and now we are saying that this support is a threat to our sovereignty. As someone said some time ago, international cooperation is not a few pats on the back. It is, among other things, training and logistic support.

Sovereignty is not a rhetorical concept that is defended with speeches on the public square, during electoral campaigns, or by simply ranting anti-American chauvinist statements based on opportunistic nationalism or populism. Our independence in the sphere of international relations is open to everyone's scrutiny. Let everyone see how we have conducted ourselves at the various international forums; how our representatives have voted at the United Nations, OAS, and other multilateral organizations; how we have played an active role in the Nonaligned Movement and the Group of 77; how we have resumed relations with Cuba. In short, let everyone see the daily, permanent dynamism that has placed Colombia in a position of leadership in Latin America.

Citizens, sovereignty is defended when one bravely confronts the fatherland's enemies; when one confronts those who threaten the people's security and take advantage of and violate our territory, rivers, seas, and airspace to conduct criminal activities. Sovereignty is not an abstract value, a simple dead letter in the law or Constitution. We are more sovereign when we are able to exercise greater control. We are more sovereign when we strengthen the Colombian Armed Forces' capability to do their duty of defending the country's security and integrity. We are more sovereign when we acquire allies that support us in our battle against stateless individuals who murder our women and children [words indistinct]. This constitutes the defense of our sovereignty.

Those who wrap themselves in the Colombian flag and tear their hair over the alleged violation of our sovereignty because we allowed technicians and military engineers from other countries into Colombia are mistaken. Our enemies are powerful. To defeat them it is not enough for us to employ technology, ability, or sacrifices. We need solidarity and support.

What would have happened to Europe if its leaders had not had the vision to form an alliance to combat the specter of Hitler? What would have happened to Colombia if we had relinquished international cooperation in our battle against the then self-styled Medellin Cartel?

Would we perhaps be freer, more sovereign, or more independent living under the tyranny of Escobar's narcoterrorism? Would we be freer, more sovereign, or more independent by letting criminals from all countries and of all ilk violate our airspace? Would we be freer and more independent by letting drug traffickers have every technological advance at their disposal while we take shelter in our modest technical capabilities, renouncing international aid?

Until 7 August, when my mandate ends, I will continue my efforts to expand our democracy, modernize our country, diminish poverty and injustice, and face

without hesitation those who sow destabilization and fear until we prevail over them. Fear of debate will not make me hesitate to make or support decisions such as the one being discussed—within the framework of the Constitution, which this government knows well—whenever I feel it is for the good of the Republic or to fight crime, purposes which the majority of Colombians share who prefer to open themselves to the future and not cling to the past. Thank you.

[First unidentified reporter, in progress] ... the exercises of U.S. servicemen with Colombian servicemen. The opinion issued by the State Council talked of troops. What legal arguments are you defending and why?

[Gaviria] I will try to summarize those legal arguments that are contained in the letter I sent to the State Council, with which I believe all of you are familiar and which unfortunately the State Council answered with a brief statement. Fundamentally, those arguments are the following:

Colombia has several international treaties that are currently in effect. They include agreements stemming from the [word indistinct] international treaty, as well as other international agreements, such as the 1958 Geneva Convention, the Chicago convention that regulates air traffic, and a number of agreements derived from those treaties.

The Juanchaco operations personnel, as well as the personnel in other operations being held in the national territory—the naval, army, and police missions in the country; the exchange of military personnel and military students; and the support personnel for maintenance and assistance of our radar operations—are not military troops. Why do I say this? In the message I sent to the State Council, I clearly established the legal antecedents for the constitutional norm.

The antecedents always refer to the time when military troops passed through Colombia and when Panama was part of Colombia. They mention belligerent troops that are participating in a war against another country or going to another country. This has nothing to do with military cooperation activities. All countries accept and want such cooperation. We have been developing this military cooperation for the past 50 years. We have had military personnel from the United States and other countries come to our country for the past 50 years. This exchange began around 1952. Thus, for almost 50 years we have had foreign military personnel and missions here, we have signed agreements and memorandums, and we have carried out military exercises. Based on this tradition, which has never been questioned over the past 40 years, the Defense Ministry has continued to make those decisions in accordance with this interpretation.

Now the State Council says it does not agree with that interpretation and has submitted this matter to the Congress of the Republic, which we agree is the competent body for rendering interpretations.

Unfortunately, as a result of the State Council's ambiguous and short statement, or opinion, it may be inferred—this is not specifically stated—that all military personnel must leave Colombia. I imagine they are referring to military personnel of Colombia and other countries. Under this absurd interpretation, one could even go so far as to expel all military attaches from Colombia, which would be followed with the expulsion of our military attaches from other countries. Therefore, this is what has placed the government in this situation, because [words indistinct] judicial but the opinion of State Council members. There is no ruling, no cause, no resolution. The State Council is not settling anything. It is only expressing a doubt that the government does not share about a juridical interpretation .

What has the president of the Republic done in this case? I have defended the legal arguments with which the country has worked for nearly 40 years and which had never before been called into question.

[Moderator] Diana Mateos, representing radio newscasts.

[Mateos] Good afternoon, Mr. President. All Colombians are wondering why these U.S. soldiers arrived in the country amid so much secrecy and why they arrived armed. The people wonder why the country didn't hire the unemployed to undertake these projects. This endangers national sovereignty, given that there are so many unemployed in Colombia.

[Gaviria] Look, these people arrived to implement a cooperation treaty or agreement we had with the United States. That was the decision the defense minister made. That has been done in the past in Colombia on many occasions. Joint exercises are conducted every year. As the military engineers' exercises continued, they decided to give the community where they were operating something that helped that community. That is obviously being done at the expense of the foreign government, the U.S. Government. It does not take away job oportunities from Colombians, and it does not affect the resources of Colombians.

In some of these operations, these people—this is also a long tradition to which Colombian soldiers are also entitled—are authorized to carry personal weapons, not weapons of war. There is a long tradition in all countries and within international law that permits this.

I obviously respect those who think that this is not convenient or who oppose these exercises, which is not the same as the exercises being unconstitutional or us not acting in accordance with the Constitution, treaties, and agreements. This can also be argued. I am not saying it cannot be discussed, but we must bear in mind the government has acted in keeping with a long juridical tradition for which there are many antecedents.

[Moderator] Francisco Solis of EL TIEMPO representing the print media is next. Astid Legarda will follow.

[Solis] Good afternoon, Mr. President. Do you believe that all Colombians who fear this presence of U.S. soldiers in civil cooperation activities, as you said, are perhaps remembering the incidents that led to Panama's separation? Do you think all these people are mistaken?

[Gaviria] No, I understand there may be fears. In Latin America there are always fears about this type of presence. However, with a small, limited presence to conduct exercises, when dozens of similar exercises have been carried out in the last 40 years, I frankly do not think these fears are justified. I might acknowledge that there may be some opposing views or some people opposed to these exercises, but to go from that to saying that we have acted unconstitutionally or outside of strict compliance with treaties or implementation of said treaties is a big difference.

Another thing I would like to point out is that some of these operations are very much needed, almost indispensable, while others are not. The operation in Juanchaco is not indispensable. We could have done without it in the long run. It was an operation, an exercise of engineers that we could have done without.

Unfortunately, the opinion or judgment of the State Council would involve not just that exercise but all kinds of military cooperation, radar assistance, intelligence cooperation. All international cooperation that helps us in the drug struggle would end, according to the State Council's opinion. We would have to violate international treaties and agreements to satisfy that opinion. That is what the president of the Republic cannot do under these circumstances, without failing to comply with his duties or the very constitution, which establishes international commitments with which we must comply. For instance, the Geneva Convention establishes the safe passage of warships; we are signatories to that Convention. We can neither violate nor ignore it because of a judgment issued by a Colombian judicial body. We cannot do that.

We have a commitment in airspace matters and a decree regulating such commitments. We cannot abandon those commitments overnight. I go back to the point I made in my statement: How is Colombia's sovereignty defended? By trying to prevent planes working for drug trafficking groups and without flight plans from endangering our air security, and by seeking international cooperation to prevent this. Are there Colombians who think that we must tolerate these risks to air security and this violation of our sovereignty instead of resorting to certain international cooperation? No, I don't think so. I don't think many Colombians feel that way.

[Moderator] Astid Legarda representing regional media; next Fabio Calleja.

[Legarda] Good afternoon, Mr. President. Your first comments seem to indicate that you admit these U.S. troops are in the country to help combat drug trafficking and, more specifically...

[Radio Caracol announcer, interrupting, from the studio] Excuse me for interrupting you, dear reporter. We will ask the president a question, considering that we are broadcasting this national newscast live. Mr. President, 10 days ago you said that if the State Council's statement proved adverse, you would see to it that the U.S. troops would leave our country. Will you do this?

[Gaviria] Look, I have with me a copy of all the questions I answered during that news conference. I did not say what you mentioned. I did not know what the State Council statement would be. The State Council said it would study the matter. Nevertheless, we did not know whether the Council would make a statement. We did not even know what subject it would consider. In addition, the State Council's statement does not have legal import. The Council has expressed an opinion, which it has forwarded to the Congress. I have already explained why I cannot accept this opinion—among other reasons, because the State Council's opinion, apparently very brief and laconical, does not deal exclusively with this military engineers' exercise, but with any and all military presence in the country. Such a position could become absurd, to the point of causing the expulsion from Colombia of military attaches from all countries. This is why it is so difficult for the government to accept this opinion, concept, or statement.

[Legarda] Thanks, Mr. President.

[Radio Caracol announcer, from the studio] Excuse me, Mr. President, for having interrupted the previous question. Betsy Legarda, will you please repeat your question?

[Legarda] Mr. President, I was saying your first remarks seem to indicate that you admit U.S. soldiers came to Colombia to help fight drug trafficking, not just to build a small school.

[Gaviria] No, my friend. Pardon me, but you seem to be misinformed. U.S. soldiers participate in several activities in Colombia. Some are conducting engineering exercises in Juanchaco. Others are training in engineering by building river outposts so our Marines can fight drug trafficking. This is true. In addition, we are being advised in the operation of radar sites, which have been set up so our airspace cannot be violated and so drug traffickers' planes cannot fly over our territory with impunity. Still other activities deal with our Armed Forces' training programs. All this is part of the military cooperation maintained since 1958, when a military agreement was signed. There are many other activities, not necessarily linked to drug trafficking.

The problem with the Council's statement is that it questions not only the Juanchaco operation but every other form of military cooperation. Here I have a statement by President Alfonso Lopez Michelsen, which brings up precedents, even from the recent past. His statement shows why this interpretation cannot be stretched so far as to become absurd. Historically, the interpretation in Colombia has applied to troops with

warlike intentions, not troops that are part of a cooperation agreement. The troops now in Colombia are not troops for war but troops participating in a military cooperation program. Troops like this have been here for more than 40 years, yet no one ever questioned their presence, and virtually no statements on this matter have been made in all these years.

This is what I meant in this particular instance. President Lopez says that when he was president the king of Spain visited the country aboard a Spanish Navy frigate. The Senate was not asked permission because the ship was not here for war-related purposes. Everyone here knows that when we were looking for Escobar we accepted cooperation from many countries, including surveillance aircraft that flew over Colombian territory. There was even disagreement with the president of the State Council on this issue. I do not regret having done this. I accepted international cooperation because I thought—and still think—it was legal to go after Escobar and dismantle the Medellin Cartel. And I also believe that our sovereignty is better served through this cooperation than by saying no, we cannot accept any international cooperation because it would harm Colombia's sovereignty, even though criminal organizations may take over the country and we run the risk of having to live in a country run by narcoterrorism.

[Moderator] Fabio Callejas, Caracol Radio, on behalf of the radio stations.

[Callejas] Good afternoon, Mr. President. Since you say the State Council's statement is political rather than legal, you do not think the ruling is valid or significant [words indistinct]. How much longer will the U.S. personnel remain here? When will they leave?

[Gaviria] [Words indistinct] First, there must be... [pauses] There is an operation under way [words indistinct] and it will conclude in February. They will finish it and leave in February. There is another group of people who participate in training, preparation, and qualification in various areas—the radar, for example. The government has not considered doing without this, not for a single minute, except in case of an incontrovertible judicial decision. I cannot give up all international cooperation in the struggle against drug trafficking simply because the State Council has issued its opinion, which has no legal authority. This is an interpretation I do not share, and I hope to prove my point in the Congress of the Republic.

[Moderator] Margarita Gil, Colprensa, on behalf of the press, and then Ignacio Santiago.

[Gil] Mr. President, what would happen if the foreign troops in Juanchaco are attacked by the Colombian guerrilla forces?

[Gaviria] Well, there are no guerrilla forces there right now. I understand there are some questions about what would happen if they have to defend themselves. Well, what happens if they are attacked? I imagine they will defend themselves if they are attacked. There is no legislation or constitution in the world which says that if a foreign citizen is attacked he can do nothing to prevent it. If someone does it [words indistinct]. If someone attacks them they will defend themselves—it is that simple. If someone attacks any military personnel, or non-military personnel, or even civilians, they will defend themselves as long as they can defend themselves. This is called legitimate defense. This is what would happen. I do not think this will happen because... [pauses] but if it does happen, that's what will occur. This does not apply only to foreigners; it also applies to Colombians—either civilians or military. Everyone who is attacked and can defend himself will do so.

[Moderator] Ignacio Santiago, on behalf of the regional media, and then Antonio Jose Cabrera.

[Santiago] Good afternoon, Mr. President. Certain political analysts assert this phenomenon, meaning the decision adopted by the State Council last night, is trying to undermine your popularity. How will you resolve this situation with the public?

[Gaviria] Just like I am doing here—explaining, answering questions, participating in open discussion instead of avoiding it. I have never avoided discussion; I have always faced all the problems. This is not the worst problem I've had. I am not surprised by this, and I am not the first president who has had problems over legal rulings and decisions which question his decisions. I will handle the situation this way—explaining what I believe in, explaining to Congress why I made this decision, defending our legal position. That is what I shall do.

Furthermore, the State Council forwarded this case to Congress, but it was not over a decision, because the State Council knows I did not make the decision. What I did was defend a legal position. It is a sin of opinion. The president will be summoned by Congress because he defends a legal thesis—the same one endorsed by all our courts and which they have now challenged. No! I will continue to defend my beliefs. I obviously have to abide by any judiciary and congressional decisions—and I will defend them! In fact, if I have to tour the country defending them I will do so, because I do not feel I have undermined national sovereignty!

I feel I have defended national sovereignty, first of all before international organizations, where I constantly say: Watch how Colombia votes, and you will realize it is an autonomous country—and here in Colombia, by recovering the state's control, fighting guerrilla groups and drug traffickers, strengthening the enforcement of justice, supporting the public forces, endorsing judicial cooperation processes, and encouraging military cooperation processes—that is how you defend sovereignty! Sovereignty is not defended by letting criminals seize control of the country! That is not the way to defend sovereignty! And that is how I understand it! As long as I can I shall work to defend our sovereignty as I understand it, meaning assuming control, making sure the laws

and legal organizations and public forces exercise control! I have not stopped doing that, and this is not the first controversial decision I have had to adopt! I have adopted many others in the past and I do not regret them—and neither will I regret them!

[Moderator] Antonio Jose Caballero, on behalf of the radio services, and then Cesar Mauricio Velasquez.

[Caballero] Mr. President, good afternoon. You say you will defend, regardless of the consequences, your decision to defend sovereignty as you see it. Do you think someone is manipulating the situation and trying to stir up troubled waters—for example, the guerrilla groups and the drug traffickers? Who is taking advantage of this decision, electorally speaking?

[Gaviria] Oh, I would not say everyone who has expressed his views on the issue did it thinking that it was appropriate to do so or with that goal in mind. A lot of information has been circulated to misconstrue what has been done and to misrepresent it to the public. Yes, it has certainly been done. All of us who are here know one of the great fears which has prevailed about men engaged in an engineering operation is that they are really engaged in an operation against Valle del Cauca Department drug traffickers. They are not and they will not, but we all know the Valle del Cauca drug traffickers have pulled all available strings and resources to convey their terrible indignation. That is not the case; that is not what is really happening. I am sure that's not what's happening, but there is no doubt about the Valle del Cauca drug traffickers' actions.

I also know drug traffickers in the new departments, the former eastern flatlands, are quite uncomfortable because we have built some posts [words indistinct]. What for? So the Navy's infantry forces may operate. What for? So the Navy's infantry forces may control the rivers and counter the drug traffickers' activities. These are the facts, and you all know about them. You know I am not reporting this for the first time; you know this is true.

[Caballero] What about the possibility that the issue is being manipulated for electoral purposes?

[Gaviria] Of course. The guerrillas still live amid the rhetoric of a bipolar world and of the Cold War that is now over, in the days when Marxism was a doctrine, in the days of the now extinct Soviet Union. They cling to that doctrine, and they view anything that is anti-United States as wonderful.

No! Colombia must have a policy of sovereignty and autonomy, and this must be reflected in its international relations. This policy means Colombia will tolerate pressure, Colombia will vote as it sees fit in international forums, Colombia will establish relations with Cuba when it pleases. It means Colombia will make its own decisions. Sovereignty is not defended simply by delivering anti- gringo speeches. This is obsolete.

Cooperation is the in thing. We are working for a free trade zone. We are working for a modern country. Countries are increasingly relinquishing their sovereignty in some areas. Does the Andean Group's agreement on integration with Venezuela and Ecuador mean they are relinquishing sovereignty? We have relinquished our court's authority in favor of the Andean Court of Justice. We have renounced to our right to make certain decisions, in favor of adopting them in conjunction with other countries. Every time we come to an agreement in judicial cooperation we relinquish some of our sovereignty, if we continue to think of sovereignty the way we once did.

No! The concept of sovereignty has changed a lot. I insist on what I said here earlier: From the public order perspective, sovereignty means exerting control, being in command, knowing what is happening in one's territory, fighting criminal organizations. This is what exercising sovereignty means. It does not mean digging into the Constitution to see if according to some old prejudice there is something that can be contested. This does not mean exercising sovereignty. Exercising sovereignty means fighting drug traffickers with whatever international cooperation we can—not with foreign troops, that would do no good—but with foreign inteiligence, all they can give us, all the equipment, all the information. We have accepted this, and we will continue to accept it. I don't believe Congress or any judicial organization will tell us that we are wrong because we are doing this!

[Moderator] Cesar Mauricio Velasquez, representing television newscasts, is next. He is followed by Indira Vega.

[Velasquez] President, what's aggravating you? Is it the form or the essence of the concept?

[Gaviria] This does not aggravate me, but I was taken by surprise. I was amazed because we had gone through a legal process, and we had asked that the defense minister and the military commanders be received in audience. Logically, we were expecting some specific response, some memorandum from a strictly legal point of view. Instead, the response has been some sort of opinion or statement. I don't know how important the press communique is, but it has questioned all the cooperation Colombia receives in this field. This is obviously not keeping us from making decisions. If the communique were a judicial ruling I would abide by it, but it is not a judicial ruling. The communique simply has questioned all the cooperation we receive. No one can expect me to react to this by throwing out all that cooperation, giving the country away, weakening our ability to fight crime, and weakening our military forces, simply because some citizens, eminent members of the State Council, believe this is not the way. No way!

Whenever there is a ruling, I will abide by it. I have to, even if I don't agree, but I am not now facing a ruling. I am facing an opinion. Since this opinion is that of the State Council or of its advisers, it has some weight and

has created some commotion, and there is the impression that the government could be paralyzed. No! The government is not going to be paralyzed! The government has the constitutional mission to safeguard public order and fight crime, and the government will safeguard this. It will not fail in its mission.

[Moderator] Indira Vega, representing the print media.

[Vega] Good afternoon, Mr. President. Why so much misinformation? Why so many different versions being presented to the public? This gives the impression that lies have been told.

[Gaviria] No. The Armed Forces and the Defense Ministry have participated in this exercise many times. There have been many such exercises here. Every year there are military and naval exercises in Colombia. Every year! They simply saw the arguments as one more political debate and since political debates are not their affair, they chose not to participate in the debate. This is what happened. Information began trickling out as people became aware of the debate. There has been no attempt to hide anything. The Armed Forces and the acting defense minister simply believed that if they joined the debate, they would end up in a political debate, taking sides with presidential candidates. They decided that this was not suitable. Perhaps the acting defense minister and I did not realize that this was going to be an ongoing controversy and that it was going to become a political campaign issue.

[Moderator] Next is Clemens Torres of Radio Colmundo. Manuel Teodori will follow him.

[Torres] Good afternoon, Mr. President. You have an outstanding political record. Some of your critics say that you could resolve this problem by inviting some people over to the Presidential Palace.

[Gaviria, chuckling, while audience laughs out loud] No. Look, though, you can be sure that I will do whatever I can within the law and my principles to make my legal and political convictions prevail. This is who I am. Some say: The president is pragmatic. No. That's not it. Some say I have no principles, that I'm pragmatic. No, but when I believe in something I do all I can to get it through. You have seen how I function in Congress. That's because standing on my record is not enough for me; I want to get things done! I have tried to strengthen this country's public forces; I have tried to strengthen international cooperation and the struggle against drug trafficking, the military struggle, and the judiciary branch. I have fought hard to succeed! Hard! I have also worked hard to get the EC to give us preferential status, and it did! The U.S. Congress gave us trade preferences because of our struggle against drug trafficking. You can be certain that I will continue to struggle. I am going to fight, and I am going to win.

[Moderator] Manuel Teodori of Telemundo, representing the international media. He will be followed by Dario Hoyo.

[Teodori] Good afternoon Mr. President. Understandably, during an electoral period, there are people who [words indistinct]. The accusation about the presence of the U.S. soldiers could be used as a political banner to attract votes and to obtain the votes of members of your party. Unitl what point might this be true in this particular case?

[Gaviria] People get very passionate during electoral campaigns in Colombia and in all countries. The campaigns increasingly assume a populist tinge. You see people [words indistinct] who suddenly start endorsing a populist position. People tend to get too passionate, and sometimes they lose their objectivity somewhat.

But I would not like to base this debate on politics. Why? Among other reasons, the State Council is not involved in politics and has no part in politics. I believe the State Council's opinion is its own. I frankly do not believe the State Council took the time to carefully study all our arguments in detail and to examine all the consequences of its opinion. I don't think the State Council did this. I regret that it did not, and I also regret to say this—but I firmly believe it is true.

Of course, this issue could be used by the people in the political campaigns. I have tried to avoid being a counterpart to the presidential candidates or to those who are campaigning.

[Moderator] Dario Hoyos of EL NUEVO SIGLO will ask the last question.

[Hoyos] I won't keep you long. I see that you are very angry with the State Council. Don't you think it is inconvenient for the country to be facing a possible confrontation between the executive, legislative, and judicial branches in the midst of a political campaign? Also, is it possible that you are being driven by your desire to get to the OAS?

[Gaviria] [Words indistinct] I was not referring to this. I know the State Council is not motivated by such intentions. No. We presented this issue. I am concerned because the State Council has said that there is a lack of legal precedent and there are irregularities with the way in which the decision was made. If [words indistinct] it would have been easier to decide and see what would happen. But we are confronted with an opinion or a simple declaration.

I am not quarrelsome, but I do defend what I believe. I am not intimidated by any decision or argument. I fight for the things in which I firmly believe. I am not angry. I don't usually get mad, but I do have firm convictions and what you are hearing from me right here is just that: my firm convictions.

I believe the legal arguments we forwarded to the State Council are valid. I continue to believe they are valid. The State Council's communique did not deny those arguments. I will continue to fight for our legal arguments and for the national interest. Many things are at

risk here: all international cooperation received by Colombia designed to strengthen its public forces and to help in its struggle against drug trafficking. All this is in jeopardy. I believe this is serious and dangerous for the country, and I am not willing—simply so that I can look fresh and at ease—not to fight for this. I will fight. I will struggle. I will defend my arguments. I will contest this, and I will leave no question unanswered. I will continue this legal and political struggle until the end. I will do so peacefully and convinced that our position will prevail.

Gaviria Addresses Nation

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[Speech by Colombian President Cesar Gaviria in Santa Fe de Bogota—live relay]

[Text] Fellow citizens, at noon today I addressed the nation via a radio network to outline the national government's position in connection with a declaration that the State Council issued last night regarding the presence of foreign troops in the national territory. I do not want to take up a lot of your time, but I want to summarize the positions I outlined, with the certainty that you will share your president's position on this issue, which has awakened the whole country's interest.

Yesterday I learned, calmly but with some surprise, about the communique issued by the State Council, in which the Council members state they are not satisfied with the arguments that I outlined in connection with the legal basis which allows military personnel from other countries to conduct joint exercises with Colombian military forces, in compliance with old practices and based on international agreements.

It is deplorable that the sound legal document I respectuflly forwarded to that judicial organization a few days ago resulted in the issuance of a press communique which lacks legal grounds, and about which I had to learn through the media instead of through the proper channels—as if it were more important to create an atmosphere of public opinion than to stictly carry out a legal procedure. This attitude contrasts with the one I assumed toward the State Council, to which I submitted all explanations in a detailed and reserved manner, aware of the implications that this debate has for our country—both at national and international levels.

I received the news with the tranquility of knowing that this type of operation is necessary, useful, and timely for Colombia. I also felt confident that the juridical arguments, which the State Council rejected, are solid; that the decisions adopted do not violate the Constitution that now includes, through this government's leadership, the great changes that Colombian society demanded for many years for its political organization.

I believed, and still believe, it was necessary to strengthen control mechanisms and give congress the tools to fulfill its function of supervising the executive branch's actions. Hence, we will be ready to provide the explanations that Congress, the organization to which the State Council decided to forward this issue, considers pertinent—with the assurance they will not be disregarded with the stroke of a pen. Instead, they will be carefully and calmly analyzed.

Judging from the laconic statement issued by the judicial organization, it seems the State Council has given this constitutional disposition a significance it evidently does not have. The idea is to claim that there is an obligation to request that the Senate or State Council authorize the transit of foreign troops in our country; this means that this authorization must be obtained to allow the arrival of any foreign military personnel in Colombia—regardless of their purpose.

An interpretation like this leads to the absurdity of demanding permission for the arrival of military attaches that dozens of other countries have in Colombia, just as we have attaches in dozens of other countries. Similarly, a joint intelligence operation for capturing a criminal would require a prior Senate meeting and statement. Also, old and existing international agreements, such as the Inter-American Reciprocal Assistance Agreement and the 1952 Military Assistance Agreement, would cease to exist as if by magic and Colombia would feel free to violate them.

The State Council's statement is not judicial in nature. It simply reports a fact to Congress. It is worth mentioning that all documents have been provided by the government. The judicial body has said only that it finds them unconvincing. As a consequence of this decision, the State Council admits it lacks authority to assess the alleged violation of the Constitution and take the proper action, all of which is up to the Congress.

The State Council's statement is not legal in nature. It is rather political. The baseness of the Council's assertions and the Council president's argument that a little school can be built by Colombian artisans do not deserve an answer.

As long as an authoritative organization does not announce a ruling, we will continue to endorse international cooperation and the joint exercises that the government regards as essential to improve our military forces. In addition, this cooperation and exercises are based on international agreements that the Congress has ratified. These exercises are but part of these agreements.

The State Council's opinion also casts doubts on the cooperation, intelligence, and advisors vital in the fight against criminal drug trafficking organizations. For this reason, the radical interpretation contained in the State Council's press communique only benefits drug traffickers and weakens our capability for confronting crime.

Colombians: I admit other people's right to disagree with the joint exercises on Colombia's Pacific coast. Nevertheless, I cannot overlook a minor legal interpretation

that would force us to cancel other operations indispensable to defending the country from crime and drug trafficking.

The government has admitted that there are gaps in reports released to the public. This perhaps has led a number of people to criticize the military cooperation under way with the United States. In the specific instance of Juanchaco, I regard as necessary the emphasis that the foreigners there are military engineers who, paid by the U.S. Government, are conducting a military engineering exercise in conjunction with the Colombian Armed Forces. It is just a matter of teaching and practicing, sharing technical construction techniques in tropical areas, and solving logistics and communications problems which our men would eventually have to cope with in various situations.

But instead, if wasting that energy building things that are useful, they devote it to civic and solidarity objectives. The school, the health center, the road are only byproducts of that joint military engineering training, which will by the way benefit the region and community.

U.S. military engineers are in an area totally controlled by the Colombian National Navy and are working under the supervision of military forces. We have conducted diverse joint actions with the U.S. Government to improve and make more efficient the operations of our public forces. We have obtained various technologies, embodied in the radar guided and operated by Colombians, and for which U.S. personnel offer advice and maintenance.

We have carried out joint engineering exercises for the construction of different projects. Today in the United States there are close to 100 Colombian soldiers participating in operations similar to those now being questioned in Colombia, and no one even thinks that the presence of those personnel there endangers the sovereignty of that country.

In all this debate there are at least two contradictions. The first is to think that the search for better training and greater efficiency of the Colombian public force violates our sovereignty, when in reality it is aimed at guaranteeing our sovereignty. Sovereignty would be in greater danger in a country in the hands of criminals and drug traffickers, in a state without the capacity to respond to criminal activity, or in a state confused by hundreds of clandestine flights of foreign and national aircraft involved in drug trafficking, than in a state that relies on international cooperation to guarantee law and the legitimate exercise of its citizens' rights.

We have requested support from the international community in the courageous struggle that we Colombians have waged against the large drug trafficking organizations, and it is surprising that we now say that this jeopardizes our sovereignty. As someone once said, international cooperation is not represented by pats on the back but by training and logistical support, among other things.

Sovereignty is not a rhetorical concept defended in speeches in public squares at a campaign rally or by making a small fuss over anti-U.S. chauvinism, opportunistic nationalism, or populism. Our independence in international relations is open to the scrutiny of all. It is measured by the way in which we have acted in different international forums, the way in which our representatives have voted at the UN, the OAS, and other multilateral organizations. It is measured by our active participation in groups such as the Nonaligned Movement or the Group of 77. It is measured by the establishment of relations with Cuba. In sum, it is measured by the real and permanent dynamics that have placed Colombia in a position of leadership in Latin America.

Citizens: Sovereignty is defended by facing with courage the enemies of the fatherland, those who affect the security of citizens, those who abuse and violate our territory, our rivers, our sea, our airspace to further their criminal activities. Sovereignty is not an hypothetical concept. It is not a simple dead letter in our laws or the Constitution. We are more sovereign when we are able to exercise more control. We are more sovereign when we strengthen the capacity of the Armed Forces of Colombia to fulfill their duty to defend the security and safety of the country. We are more sovereign when we obtain the support of allies who support us in our struggle against those who do not have a fatherland, who kill our women and children, our decent people. That is defending sovereignty.

Those who claim to be nationalistic and cry out loud about the alleged violation of our sovereignty by permitting the presence of technicians and military engineers from other countries are dead wrong. Our enemies are powerful. In order that we might defeat them, it is not enough to rely on our own technology, abilities, and calls for sacrifices. We need solidarity and support.

What would have come of Europe if its leaders had not formed an alliance to fight the threat of Hitler? Also, what would have come of Colombia if we had rejected international aid in our struggle against the then-called Medellin Cartel?

Would we be more free, more sovereign, more independent, living under the tyranny of Escobar's narcoterrorism? Would we be more free, more sovereign, more independent, allowing our airspace to be violated by criminals from all countries and all ilks? Would we be more independent, more free, more sovereign, allowing drug traffickers to have all the technological advances at their disposal while we seek refuge under our modest technical means and renounce international help?

The president does not think so. Therefore, until 7 August, when my mandate ends, I will continue with my efforts to broaden our democracy, modernize our country, suppress poverty and injustice, and untiringly confront those who generate destabilization and fear until they are brought to their knees. I will not hesitate—

out of fear of a debate—in making or supporting decisions, such as the one being debated, within the framework of the Constitution, which this government knows well, as long as I believe that it serves said purposes which are shared by the majority of Colombians who prefer to open up to the future rather than hold on to the past.

Good night, and many thanks.

Reaction to Controversy

PA1002015394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 10 Feb 94

[Report by Liliana Gutierrez, Alvaro Ayala, Azucena Lievano, and Raul Gutierrez for the "24 Hours" newscast]

[Text] While President Cesar Gaviria used strong terms—offensive, according to some people—when referring to the State Council, Magistrate Amado Gutierrez said the problem is not the fight; it is a matter of discussing a juridical issue.

[Begin Gutierrez recording] Our Constitution is called the political constitution of Colombia and, given that we are dealing with a constitutional problem, it is obviously a political problem. However, we are not talking about politicking or lowly actions that are sometimes given prominence. [end recording]

He added that members of the State Council do not work for drug traffickers, adding the important thing is that the country should be told the truth about what the U.S. troops came to do with their weapons in Colombia.

[Begin Gutierrez recording] They are not military advisers who came to teach us how to operate the radar or sophisticated modern airplanes. No, they are armed personnel who came to stay in the country. [end recording]

The State Council president insisted this is not simple patriotism. What happens is that there is a Constitution, and we must advocate adherence to this Constitution. Hence, it is necessary to state and discuss the issue. They have issued the report and the Chamber of Representatives' Investigation and Accusation Committee must now continue the process.

Moreover, Attorney General Carlos Gustavo Arrieta today asked the State Council and President Gaviria to handle carefully the debate surrounding the U.S. troops' presence in Colombia.

[Begin Arrieta recording] This is unfortunate, and I hereby issue an appeal. I urge them to please stop referring to each other in the terms in which they have been doing, and I ask them to treat each other with due respect. I believe they are engaged in a pointless argument; I think this debate has not been given the appropriate level required by juridical controversies between two institutions that are so important. [end recording]

The conflict has arisen after various months of misinformation about the U.S. troops' presence in the country. This was confirmed by a high-ranking government source. President Gaviria personally admitted today the information on Juanchaco was poorly handled. Narino Palace sources said the government refrained from assigning importance to the issue since its inception, when the media learned about the U.S. troops' presence on the Pacific coast. The military forces thought it was a political issue which they did not have to handle. The same source said the Defense Ministry answered the media's questions by reflex.

[Begin Admiral Hernando Garcia recording] The only murky thing here is the climate because it rains every day. [laughter in background] The rest is absolutely clear. You may wonder why there are so many machines. It is simple: The Americans are very cautious and they bring... [pauses] If a bulldozer breaks down they have another one to use because they have the means to do so. [end recording]

On that occasion, the government claims, things were not clearly explained, but it was not a matter of withholding information—it only involved a small school, a health center, and the construction of a highway. The same source said the government had no intention of misconstruing things—it simply grabbed the first thing at hand. The president initially tried to present it as a humanitarian action.

[Begin Gaviria recording] There are U.S. troops in Colombia. They are engaged in civilian actions and are fulfilling advisory duties. [end recording]

The president personally revealed the truth barely three days ago. It actually involved a joint military engineering corps exercise. The important thing was not the school; it was training for the Colombian public forces. The president thought the issue would quickly be forgotten. However, the topic has been in the news for a month; the truth has been withheld from the country for five months.

The controversy caused by the U.S. troops' presence, following the State Council's decision, has provoked a veritable flood of fax messages. Some of the opinions are thus summarized:

Liberal Party Senator Rafael Amador said the government cannot argue now that the foreign troops' presence is a result of technical cooperation plans, when the treaties and agreements on which it is based are strictly military.

Liberal Party Senator Humberto Pelaez deplored the fact that the government ignored the Senate's second committee, which is in charge of procedures for authorizing the arrival of foreign troops in the country based on international treaties like the TIAR [Inter- American Reciprocal Assistance Treaty].

Colombian communists demand the defense minister's resignation, the replacement of high-ranking military officers with men of patriotic spirit, and the U.S. troops' immediate departure from the national territory.

Congressman Heverth Bustamante of the 19 April Movement said these violations of the political charter and sovereignty should be carefully investigated.

Ramiro Velasquez, a conservative and vice chairman of the Chamber of Deputies Foreign Relations Committee, said Gaviria betrayed the homeland and failed in his duty—with the Liberal Party's support.

Former President Alfonso Lopez, member of the International Relations Advisory Board, said the State Council's statement failed to take into consideration certain aspects of international law, like the multilateral treaties which bind Colombia regarding the interpretation of what constitutes foreign troops and warships.

Reporters Allowed in Juanchaco

PA1002011894 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 10 Feb 94

[From the "24 Hours" newscast]

[Text] The government today decided to open the doors of Juanchaco to show just what the U.S. soldiers are doing there. Miriam Ortiz confirmed that military exercises are being conducted and they are running two weeks behind schedule.

[Ortiz] Today, as the State Council is posing serious questions about the president's having permitted the entry of foreign troops without permission, the doors of Juanchaco opened up and a new perspective appeared on the presence of U.S. soldiers here. The minister of defense said these troops did not come to the country to build a school and a health center. He said they came to conduct military engineering exercises.

[Defense minister] Pardo also said that there has been disinformation regarding this case.

[Begin recording] [Ortiz] Was the president of the Republic also misinformed?

[Pardo] Why?

[Ortiz] Because he did not know that the presence of the U.S. soldiers here...

[Pardo, interrupting] No, no. What happens is that they have tried to build up a case here. Things have been blown out of proportion. The president appoints some officials. He appoints a minister of defense or any other portfolio so that the minister exercises the duties. [end recording]

[Ortiz] The minister also said he does not agree with the opinion of the State Council, adding that if this judgement is allowed to advance, it will pose a danger to international cooperation. He explained that as part of this practice, 163 U.S. military engineers are building this health center with four rooms and a school with four classrooms, all for $100,000.

[Begin recording] [Ortiz] What we are all wondering is why has the work been delayed?

[Admiral Jose Ignacio Rozo] First, because of the winter. Even though January is a summer month, it rained a great deal. [end recording]

All climatic and topographic difficulties in which the Americans wanted to carry out this type of engineering exercise have been found in this part of the country. It rains every day in Juanchaco. But paradoxically thanks to the rains the work is running two weeks behind schedule.

[end recording] [U.S. Army Captain Clark] We've had some problems with the weather.

[Ortiz] When will you leave?

[Capt. Clark] When the work has been completed. [end recording]

[Ortiz] For their personal security, these soldiers are carrying 132 MA-16 rifles and 10 9mm pistols. In addition, they are being guarded by 60 Colombian soldiers.

During this visit, it was also learned that there is a second part of these exercises scheduled for 1995, which has been postponed for the time being.

Report Notes Liberal, Conservative Election Campaigns

PA0902164194 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 9 Feb 94

[Report by Raul Gutierrez; from the "24 Hours" newscast]

[Text] Liberals have brought back the color red of times past in their publicity. Modern billboards with a cardinal bird, an attractive young woman, and seductive lips will persuade the electorate of the importance of voting for the Liberal Party candidates. Pedro Gomez was tasked with changing the party's image.

[Begin Gomez recording] The goal is to motivate those who are liberal to participate, as well as to make them remember the party's achievements. [end recording]

Beyond the red billboards, the Liberals have changed their old hymn and put modern music to their messages on voting, social welfare, and divorce. Things at the Conservative Party are different. The day after tomorrow, Andres Pastrana will make his presidential candidacy official, and the Conservative National Directorate [DCN] is working full steam ahead on the preparations for the 18 February convention, which will seek to draft a platform for the candidate, who undoubtedly will be Pastrana.

[Begin DCN member Cornelio Reyes recording] The name of Andres Pastrana is gaining more supporters as the party, its masses, and leaders are aware that he is the only viable, possible, and winning option. [end recording]

* Industry, Business Surveyed on Production, Outlook

94SM0200A Santa Fe de Bogota EL TIEMPO in Spanish 9 Jan 94 pp 1-4C

[Article by EL TIEMPO Economic Editorial Staff: "Economy, Better Than Businesses"]

[Text] For most businessmen, 1993 was definitely not the best of years. Although the growth of the economy as a whole was good, the manufacturing sector's profits were impaired, and low demand hurt the productive sector's performance significantly.

At the beginning of the year, the expectations were optimistic. After all, the country had emerged from one of the most severe electric power rationings of recent history.

Nevertheless, the businessmen's forecasts were not completely fulfilled; and this was demonstrated by the results of EL TIEMPO's Economic Opinion Poll (EOE) that, during the four quarters of 1993, sought the opinion of 300 businessmen from the economy's principal categories.

The latest poll, which assessed business performance between October and December of last year, indicates that the year's end maintained the tendency of the previous quarters.

Although the manufacturing industry's production and the services sector's sales increased more than during the third quarter, this was not reflected in earnings: According to 57 percent of the 300 businessmen queried, profits after taxes declined or remained stable.

The traditional increase in demand during the Christmas season did not salvage the year, as many businessmen in the industrial sector were expecting. The apparent explanation for this is the competition generated by the "apertura" [economic liberalization] process.

In fact, apertura has been increasingly indicated as a problem of the economy and of business firms in the EOE results. During the first quarter, manufacturers and merchants were not expressing very marked concern over the deregulation of imports.

Nevertheless, in the second quarter fear began to be sensed; and, in the latest EOE poll, it became obvious that the competition generated by foreign products has become the main problem hurting businesses.

Growth and Predictions

If the results for industry, agriculture, and commerce were not as satisfactory as had been expected, how does one explain the fact that the economy grew 5.16 percent last year, according to the latest estimates from the National Department of Planning (DNP)?

Much of the performance of the gross domestic product (GDP) is explained by construction, which grew 9.3 percent in 1993; the machinery and equipment industry, which dynamized the manufacturing sector's results; and public spending which, according to the Finance Ministry, contributed nearly 25 percent of the final results.

This means that the prosperity of other sectors managed to offset the problems of demand and reduced profits faced by businessmen in the agricultural sector and certain branches of industry.

Moreover, the poll for the last quarter showed that no one would have wagered on a 5.16 percent growth in the product. They began the year predicting a 3.21 variation; and, in the final quarter, not one of the 300 businessmen queried dared to mention over 4.32 percent.

On the other hand, they were correct in the prediction of cost of living, because, on the average, the businessmen queried by the EOE mentioned 22.6 percent inflation for last year. In 1994, they expect the price index to be reduced to 21.6 percent.

And what about rating the management of the economy? Apparently, manufacturers and merchants have not changed their views in this regard, and believe that the direction of the economy is not the best. The government's economic team received a rating of 3.2 out of five during the first quarter, and that figure rose to only 3.49 in December of last year.

Eighth Economic Opinion Poll

The eighth Economic Opinion Poll sought the opinions of 300 businessmen regarding the performance of production, sales, and employment in seven major industrial and services activities during the final quarter of last year.

The EOE, which has been taken since March 1992, also gauges businessmen' expectations for the performance of the cost of living and the growth of the gross domestic product. On this occasion, factors such as workers' productivity and their wage level were evaluated as well.

This Is What businessmen Think

Sectors	Rating of economic management (1)	Expected economic growth (percent)		Expected annual inflation (percent)	
		1993	1994	1993	1994
Industry	3.49	4.32	4.75	22.6	21.24
Agroindustry	2.90	3.78	3.94	24.8	21.90
Exporters	3.47	4.25	4.65	22.5	21.27
Commerce	3.61	4.31	4.88	22.6	21.60
Transportation	3.74	4.30	4.75	22.8	20.26
Construction	3.93	4.26	5.00	22.3	20.90
Services	3.44	4.11	4.82	22.5	21.80
Average last quarter/93	3.49	4.21	4.71	22.6	21.60
Average third quarter/93	3.40	4.06	4.41	22.7	22.00

(1) Rating between 1 and 5

How did your company's production perform in the last quarter of 1993? [figures are percentages]

Sectors	Increased	Stable	Declined	Dk/na (1)
Industry	44.9	33.9	13.4	7.9
Agroindustry	44.4	27.8	22.2	5.6
Exporters	44.1	28.8	11.9	15.3
Commerce (2)	51.4	32.4	10.8	5.4
Transportation (2)	40.0	20.0	25.0	15.0
Construction (2)	26.7	66.7	6.7	0.0
Services (2)	54.8	21.0	19.4	4.8
Average total	43.7	32.9	15.6	-

(1) Dk/na = Don't know/no answer

(2) Refers to sales

In what should the Cusiana funds be invested? [figures are percentages]

Infrastructure	34.2
Reserves fund abroad	15.1
Foreign debt payment	13.3
ISS [Social Security Institute] debt payment	11.8
Aid to coffee growers	9.8

Average Salary of White-Collar Workers

Operative level	percent
Under 200,000 pesos	52
200,000-350,000 pesos	18.4
From 350,000 pesos up	12.7
Don't know/no answer	16.7
Administrative level	percent
From 350,000 pesos up	39.3
Under 200,000 pesos	13.3
200,000-350,000 pesos	29.6
Don't know/no answer	17.7

Industry, a Mediocre Year

The improvement in production that the Holy Child left for manufacturers last year did not suffice for their recovery to the levels registered during the final quarter of 1992.

Although, during the Christmas season, production rose for 44.9 percent of businessmen, this rate is far removed from the one attained between October and December 1992, when 68 percent of businessmen posted gains.

Despite this decline, the outlook for businessmen improved substantially, considering the fact that, in the second quarter of last year, only 29.2 percent of those interviewed in the Economic Opinion Poll claimed that their production had risen.

Another indicator that there are winds of recovery (albeit mild) relates to the performance of profits, which declined in that period for 55 percent of businessmen; whereas, during the Christmas season, they were lower for only 32 percent. However, it is still disturbing that profits should be declining for that percentage of manufacturers.

One of the sectors hardest hit by the drop in profits is the textile industry. According to calculations made by the

Colombian Textile Producers Association (Ascoltex), 80 percent of the companies had a negative balance last year.

The textile firms, like other industries, have been hurt by contraband, underbilling, and the importing of products at prices below cost.

Moreover, apertura has helped to foster the most intense specter hovering over the industry last year: low demand.

The complaint from businessmen all year long was over the decline in the volume of orders, and the substitution of national products with imports.

Painful Apertura

Although the apertura program has enabled businessmen to reduce their modernization costs, owing to the lower taxes on machinery imports, it has been a headache for income and profits.

The competition from imports has forced businessmen to moderate the increases in prices of their products, so as to be able to remain on the market.

Since this belt-tightening is done by force on many occasions, and not because of a drop in production costs, earnings and income are being impaired.

According to 54.4 percent of businessmen, apertura has had an unfavorable effect on their profits; and only 20.5 percent claim that it has had a beneficial effect on their earnings.

As for income levels, 44.1 percent of those interviewed think that it has had a negative effect on them, whereas only 20 percent consider its effect positive.

Where the opinions are divided is on the effect of apertura on employment. Half of the businessmen think that it has had no effect, whereas 31.5 percent attribute an unfavorable effect to it.

Industry [figures are percentages]

	Production	Sales	Profits
Increased	44.9	51.2	37.0
Remained stable	33.9	26.0	28.3
Declined	13.4	21.3	32.0
Don't know/ no answer	7.9	1.6	2.4

Stable Employment Except for Farming Areas

With the exception of the agricultural sector, Colombian businesses did not have any traumatic experiences on the employment level during the final quarter of last year.

Based on the responses from half the businessmen queried by EL TIEMPO, between October and December the numbers of jobs remained stable, as had occurred during the previous quarters.

The situation is explained by the absorption of new workers on the part of sectors such as construction and services, which compensated for the predicament in the farming areas.

In fact, during the quarter that has just ended, the boom in building activity continued, generating an increased demand for labor.

Medium-sized business had a particularly dynamic performance with respect to the generation of jobs, as did exporters.

Nevertheless, the fact that 44 percent of the farmers questioned claimed that their personnel rosters were cut corroborates, once again, the evidence of a crisis in the sector.

The decline in production in the farming areas, combined with the elimination of certain crops, the insecurity, and the low investment by businessmen, sustained the recession.

Despite this, the government's data and that of the farmers themselves warrant the prediction of a recovery beginning this year.

Transportation Boom

Nevertheless, and contrary to what might be expected, the farmers joined with the majority of economic sectors in agreeing on the slight effect of the apertura program on employment.

A total of 57 percent of the businessmen polled claimed that the process undertaken by the government has not generated a crisis in their personnel rosters.

The results apoear to confirm the latest figure from the National Administrative Department of Statistics (DANE), showing that the unemployment rate dropped to 7.9 percent in 1993. Therefore, the fear of a massive layoff generated by the internationalization of the economy has been precluded.

In cases such as that of the transportation firms, the effect of apertura on employment was particularly favorable. This performance may be explained if one considers the boom in imports and, hence, the greater movement of freight from port terminals.

On the other hand, some manufacturers claimed that the process had a negative effect on their companies' payroll. The sector hardest hit was medium-sized industry, while the effect on large industry was slighter.

This is explained by the desire to cut production costs, so that an exaggerated price increase will not occur.

What Happened to Employment? [figures are percentages]				
Sector	Increased	Remained Stable	Declined	Dk/na
Agroindustry	11.1	38.9	44.4	56.
Industry	26.8	54.3	15.7	3.1
Exporters	22.0	50.0	22.0	5.9
Construction	33.3	53.3	6.7	6.7
Commerce	16.2	59.5	8.1	16.2
Transportation	25.0	50.0	15.0	10.0
Services	30.6	50.0	12.9	6.5
Average	23.5	50.8	17.8	7.7

Dk/na = Don't know/no answer

Construction Climbed Another Floor

Despite the aggravating formalities, construction became one of the sectors that contributed most to the growth of the gross domestic product (GDP) during 1993.

Nevertheless, during the final quarter of last year, the sector slowed down, owing to the problems of raw material shortages.

According to the builders, the sector's main problem is the formalities required with the planning authorities, which are making it increasingly difficult to obtain a permit.

Moreover, insecurity has become the second factor upsetting the construction industry. Based on the results of EL TIEMPO's Economic Opinion Poll, 26 percent of those polled consider the sector's main problem to be insecurity.

Sales Stagnant

The slowdown in the construction industry is reflected by the stagnation in sales recorded during the past three months.

A total of 66 percent of the builders polled claimed that the final quarter sales remained stable in comparison with the previous period; while 26 percent reported growth, and 6.7 percent noted that sales had declined.

Similarly, 53 percent of the construction firms froze their personnel rosters; while 33 percent expanded them, and only 6.7 percent reduced their employee payroll.

The construction companies are relatively optimistic regarding Colombia's economic growth in 1994: 53 percent think that the GDP will rise between 4 and 5 percent; while a quarter of those polled expect the economy to grow between 5 and 6 percent.

According to the construction businessmen, the apertura process has been favorable, or has had no effect on the sector. Only 6.7 percent think that the internationalization of the economy has been detrimental to the construction industry.

With regard to inflation, two-thirds of the businessmen queried believe that the 19 percent goal will not be met this year; on the other hand, they think that the CPI [Consumer Price Index] will be more or less the same as that of last year.

Construction (Profits) (figures are percentages)	
Increased	33
Remained stable	33
Declined	33

Insecurity Less Disturbing

Although insecurity is still the chief problem of the Colombian economy, its effect has begun to wane, according to many businessmen.

This is inferred from the Economic Opinion Poll taken by EL TIEMPO, in which 26 percent of those interviewed considered it the most disturbing factor during 1993.

Nevertheless, it is less so when that figure is compared with the 46 percent of persons polled who cited it as the main problem during the third quarter of 1993, and the 59 percent of businessmen who regarded it as the most disturbing factor during the period October-December 1992.

The insecurity reflected in the guerrilla attacks, terrorist assaults, kidnappings, ticket selling, and common crime has been an obstacle in recent years to the strengthening of the economy and to increased foreign investment.

For a long time, Colombia has been considered abroad as a nation in which investment is not advisable, owing to the risks that businessmen and foreign capital might run.

Nevertheless, during the past few months the public order atmosphere has improved. With the death of the Medellin Cartel chief, Pablo Escobar Gaviria, and the possible surrender of the Cali Cartel chiefs, hopes of a new climate of peace in the national territory have been reinforced.

The transportation sector appears to be one of those most damaged by insecurity. This was the view of 50 percent of those interviewed.

Revaluation a Worry

Another problem that is still besetting the improved performance of the Colombian economy is the apertura process, which has been translated into greater competition for national products.

The economy's nationalization, in effect for four years, has proven unfavorable for the agricultural-livestock sector, which has complained of unfair competition from the subsidies applied by other nations to their products.

Yet another very disturbing factor is the policy of revaluation, or strengthening of the peso with respect to the dollar. It was promoted last year for the purpose of preventing a greater rise in the cost of living.

The uncertainty surrounding the economic management, which had been a highly disturbing factor, moved to a secondary level. Only 10 percent of those polled claimed it to be the principal economic problem. Apparently, there is greater confidence regarding the goals proposed by the government and the direction of the monetary, exchange, and credit policies.

Oddly enough, contraband appears to be a lesser problem, despite the constant complaints from businessmen of its damaging repercussions on the economy.

When the problems of Colombian business firms are analyzed, the fears become reversed. Insecurity is not so important, while apertura and revaluation definitely are.

The effects of revaluation are especially disturbing to the agricultural and industrial sectors. This is understandable when one considers the fact that they are receiving less income from the exports of their products.

On repeated occasions, producers, and especially exporters, have insisted that the devaluation rate should be higher. In 1993, the devaluation was 13 percent, and a similar trend is anticipated for this year.

Their argument is that, despite the efforts that they are making to compete, their profitability will not improve unless there is a shift in the exchange policy.

Principal Problems, 4th Quarter (figures are percentages)

	In the economy			In industry		
Sectors	Insecurity	Apertura	Revaluation	Apertura	Revaluation	Insecurity
Agriculture	28.0	17.0	33.0	6.0	50.0	17.0
Mining	29.0	N.A.*	14.0	14.0	29.0	N.A.
Industry	25.0	22.0	19.0	21.0	16.0	5.0
Electricity	9.0	18.0	N.A.	9.0	N.A.	N.A.
Construction	27.0	13.0	7.0	7.0	7.0	27.0
Commerce	24.0	14.0	14.0	8.0	11.0	16.0
Transportation	50.0	25.0	5.0	20.0	N.A.	25.0
Financial	N.A.	N.A	67.0	N.A.	33.0	33.0
Services	26.0	16.0	5.0	10.0	6.0	15.0
Total**	26.0	18.0	14.0	14.0	14.0	11.0

(*) N.A. = No answer

(**) Percentage of businessmen interviewed

Insecurity Killing Transportation

Insecurity has the transportation companies stalled. Although there have been no terrorist attacks on buses and trucks during recent months, kidnapping and ticket selling are still a disturbing factor for transportation businessmen. Proof of this is the fact that a high proportion of company owners queried refused to answer the question about the performance of their profits.

According to EL TIEMPO's Economic Opinion Poll, although apertura increased the supply of freight, it also facilitated the entry of imported vehicles, which have flooded the market and caused a decline in the sector's profitability.

Of the total number polled, 40 percent claimed that sales had risen during the final quarter of last year, while 25 percent maintained that the demand for their services had been reduced considerably. A small proportion reported stability in their sales.

A similar situation occurred in the case of profits. Whereas 40 percent of the businessmen indicated that they remained stable between October and December of last year, a quarter of those queried claimed to have had losses in their operations. Nevertheless, 20 percent noted that their profits had risen during the quarter.

Personnel Rosters Frozen

Despite the difficulties confronting the sector, during the final quarter of 1993 there were no massive layoffs of

workers. Half of the companies questioned froze the personnel payroll, while 25 percent expanded it, and only 15 percent reduced the employee roster.

In the opinion of most transportation businessmen, the government's economic management deserves a rating of 3.5; while 30 percent of the businessmen polled even gave it a grade of 4.0 on a scale of one to five.

Based on the inquiries made in the EOE, the transportation sector approves of the government's target for economic growth this year: 40 percent of them believe that the GDP will grow 5 percent during 1994. However, a quarter of the businessmen indicated that this year's GDP would fluctuate between 3 and 4 percent.

The same thing holds true of inflation: 35 percent of the transportation businessmen polled believe that this year's CPI will stand between 19 and 20 percent.

Nevertheless, a quarter of the businessmen queried claim that the government's inflation target will not be met, because it will exceed 22 percent. Others think that the CPI will exceed its bounds in 1994, reaching levels of over 25 percent.

Transportation (Profits, final quarter/93)
(figures are percentages)

Stable	40
Rose	25
Declined	25
Don't know/no answer	15

Exporters Improve Profits

Despite the peso revaluation, the economic stagnation in the developed countries, and the decline in certain international prices, exporters ended the year better off than expected.

During the last quarter of 1993, sales increased for half of the businessmen, and remained stable for 22.9 percent. This was converted into the year's best performance, with the exception of the first quarter.

During the 1992 Christmas season, the sector registered a slight recovery, because on that occasion sales increased for only 46 percent of businessmen, according to the results of EL TIEMPO's Economic Opinion Poll.

Although profits improved, they are still the main source of concern to a third of the businessmen polled.

During the Christmas season, according to 30.5 percent of those interviewed, their profits increased; whereas 33.9 percent thought that they had declined.

This performance shows a substantial improvement over the results for the July-September quarter, when 55.3 percent of the businessmen posted reductions in their profits.

The revaluation that coexisted with exporters throughout the year became one of the main factors depressing the sector's profits.

The slower rate of currency devaluation caused businessmen to receive fewer pesos for their sales abroad, while this proved to be a good deal for importers.

Last year, the devaluation was 13 percent, whereas in 1992 it stood at 14.84 percent.

The other two problems hurting the exporting sector were insecurity and apertura.

The most negative effect of apertura was concentrated on profits: 47.5 percent of those polled thought that it had an unfavorable influence on their earnings.

This is due to the fact that most business firms combine their export labor with internal sales. Hence, the competition from imported products and unfair commercial practices that caused anxiety for industry also harmed this sector.

The effort expended by exporters to improve their productivity is noteworthy. By the year's end, 60 percent had achieved gains in this respect, and only 6.8 percent registered declines.

The government estimates that the increase in foreign sales will be 5.6 percent at the end of 1993.

However, judging from the performance of exports between January and September, this goal does not appear readily attainable.

The latest report from the National Administrative Department of Statistics showed a 13.5 percent rise in nontraditional exports as of September.

This increase managed to offset the decline in sales of coffee, oil, fuels, and other banner products, and prevented the occurrence of a drop in total sales, which rose 2.0 percent.

Exporting Sector (figures are percentages)

	Production	Sales	Profits
Increased	44.1	50.0	30.5
Remained stable	28.8	24.6	31.4
Declined	11.9	22.9	33.9
Don't know/no answer	15.3	2.5	4.2

Source: Finance Ministry

Skepticism Regarding 1994 Inflation

Colombian businessmen remain skeptical concerning the 19 percent inflation target set for 1994, but are optimistic about the growth of the Colombian economy.

Although the government and the Bank of the Republic's board of directors have claimed that they will do everything in their power to meet that goal, only 17 percent of

those polled expect inflation to stand between 19 and 20 percent. The remaining 50 percent, on the other hand, claim that it will be higher.

The uncertainty regarding the performance of the cost of living continues, because many sectors expect food prices to start rebounding.

Nevertheless, with the latest measures adopted, the government took the first steps toward meeting its goal. It readjusted prices of fuel and public services, with the exception of electric power, based on the anticipated inflation. And, for the first time, it raised the salaries of public workers and the legal minimum wage below the inflation rate of the immediately previous year.

As for th[illegible]e of inflation in 1993, precisely, half of those polle[illegible] agreed on a figure, indicating that it would stand between 22 and 23 percent. Another 30 percent predicted that it would be higher.

At the end of 1993, the cost of living stood at 22.6 percent, according to data furnished by the National Administrative Department of Statistics.

Economy Will Grow

Regarding the growth in the gross domestic product, 31 percent of the businessmen claim that, by the end of this year, the increase in goods and services produced in the country will range between 4.0 and 5.0 percent. The government maintains that it will be 5.0 percent.

This index is similar to that for the growth registered in 1993 that, according to the preliminary figures submitted by the National Department of Planning, was 5.16 percent.

A remaining 22 percent are more optimistic, expecting the growth in the economy to exceed 5.0 percent.

The uncertainty over a greater increase is associated with the change that might occur in public spending, which was one of the main driving forces of the economy last year.

However, sectors such as construction and transportation, which contributed much to the increase, could begin to show a decline.

Nevertheless, the government claims that it will compensate for these possible reductions with an impetus to infrastructure, primarily to road construction and rehabilitation.

With respect to the growth in the GDP for 1993, 48 percent of the businessmen interviewed were more cautious, indicating that it would stand between 3.0 and 4.0 percent. On the other hand, 26 percent thought that it could reach 4.0 or 5.0 percent; and only 11 percent estimated that the figure might prove higher.

In general, manufacturers believe that the economic picture in 1994 will be quite similar to that during the immediately previous year.

Workers: Fair in Productivity

If it were finally decided to adjust the minimum wage based on the workers' productivity, Colombians would not come out so badly. However, they would not have excellent results either.

According to the rating given by 300 businessmen queried in the Economic Opinion Poll, white collar workers would receive 7.3 points out of 10 on the productivity scale.

Although it is a medium grade, the businessmen claimed it to be higher than the rating that the workers would have received before apertura.

In fact, 54 percent of those polled reported that the efficiency of their labor increased throughout the year; whereas only seven percent cited any decline.

And there is every indication that the rating rose as a result of the competition generated by apertura. Both businessmen and workers had to adjust to the standards of their international competitors, so as not be excluded from the market.

The progress was especially significant in agroindustrial, manufacturing, and commercial firms.

Without Purchasing Power

Nevertheless, the improvement was not reflected in the monthly salaries of operative workers in companies: 52.3 percent are earning between the minimum wage and 200,000 pesos.

This means that the majority of white-collar workers cannot purchase the basic family shopping basket which, according to October data from the National Administrative Department of Statistics, costs 195,418 pesos.

Only 31 percent of the workers have the necessary purchasing power to buy the items included in the basket for one month.

They will be even less able to purchase the products in 1994. If the 19 percent inflation target is met, the price of the basket for laborers and the lower stratum will reach 232,547 pesos by the year's end.

The sector in which wages are most depressed is agriculture: something explained by the decline in that industry's profitability. The majority of workers in the farming areas, on the medium and low levels, earn even less than 150,000 pesos.

The income level for most of the laborers working in construction also fails to suffice for the purchase of the DANE shopping basket. In fact, 66 percent of the operative white collar workers in that sector earn between 150,000 and 200,000 pesos.

The average salaries among administrative workers are better: 39 percent are earning between 350,000 and 450,000 pesos per month. This means that they can only

purchase the items in the basic shopping basket twice.

Workers' Productivity (scale of 0-10)	
Agriculture	7.47
Industry	7.29
Construction	7.47
Commerce	7.36
Transportation	7.30
Services	7.33
Exporters	7.30
Average total	7.36

Commerce: Christmas Did Not Meet Expectations

Although half of the merchants had increased sales between October and December 1993, the results were very poor compared with those of the same period in 1992, when they rose to 86 percent.

But, low blow and all, the last quarter was the best of the year, as is traditional.

Commerce is one of the sectors benefiting most from the reactivation prompted by the Christmas celebrations, even more than industry, because it distributes both national and imported products.

It is not without reason that EL TIEMPO's Economic Opinion Poll shows only 10.8 percent of those interviewed reporting declines in their sales.

Furthermore, the earnings of merchants rebounded during the final quarter: 40.5 percent showed increases in their profits, while 27.0 percent claimed that they remained stable compared with the previous quarter.

Although apertura has been beneficial for the sector, facilitating imports of goods, it has also allowed contraband to remain protected by legal imports.

A total of 43.2 percent of those interviewed think that apertura has had a favorable influence on their imports; and 40.5 percent say that it has been beneficial to their income.

As for the effect on profits, the opinions are divided: 32.4 percent indicate that it was positive, and 29.7 percent, that it was negative.

The dismantling of customs' controls, which occurred after the merger of the Tax Directorate and the National Customs, was also decisive in converting contraband into one of the sector's principal problems.

The other major bottleneck for commerce was insecurity, which surrounded all economic activities.

Merchants, who began 1993 rating the government very harshly (they gave it a passing grade with three "reprimands"), granted it a 3.5 rating at the year's end.

According to the EOE, the services sector (excluding the financial system) showed a good performance during the final quarter of 1993.

A total of 54.8 percent of those interviewed reported increases in their sales, while 21 percent cited stability.

Included in this sector are restaurants, travel agencies, and consulting firms, among others.

Business Sector (Sales) (figures are percentages)	
Increased	51.4
Remained stable	32.4
Declined	10.8
Don't know/no answer	5.4

Agroindustry Did Not Fare So Badly in 1993

Amid the skepticism that has surrounded rural production, a considerable portion of agroindustry achieved gains in its principal indicators.

According to the results of EL TIEMPO's Economic Opinion Poll, 32.7 percent of those polled estimated that there was an increase in agroindustrial production. In the view of 23 percent, it remained stable, while another 11.3 percent claimed that it had declined.

The sector has no confidence in the 19 percent inflation target for 1994. Nearly 80 percent of the businessmen queried assert that this year's consumer price index will exceed 20 percent.

Contrary to the farmers' opinions, the processors of agricultural raw materials claim that apertura has been beneficial.

Of the businessmen polled, 31 percent did not think that the apertura process hurt their profits; and 23 percent stated that the economy's internationalization had proven favorable.

Similarly, 36 percent claimed that apertura did not hurt their sales during the last quarter of 1993; whereas 25 percent blamed it for the reduction in their income.

Agroindustry (Production) (figures are percentages)	
Increased	32.7
Remained stable	23.0
Declined	11.3
Don't know/no answer	33

Methodology of Public Opinion Poll

The Public Opinion Poll sought the opinions of 300 businessmen from the seven principal sectors comprising the gross domestic product.

To collect the information, the firm Yankelovich Innova de Colombia used the list of 370,000 business firms

throughout the country produced by the Confederation of Chambers of Commerce (Confecamaras).

The surveys were answered directly by representatives on the management level of the organizations selected.

The analysis of the data and writing of the texts were performed by the journalists Luis Alberto Lopera (economic editor), Jaime Mejia Mazuera, Marcela Escobar Ramirez, Jacqueline Guevara, Clara Ines Rueda, Edmer Tovar, Jaime Cristancho, and Carlos Fernando Gaitan.

* New Police Code of Ethics, Discipline Outlined

94SM0192A Santa Fe de Bogota EL TIEMPO in Spanish 8 Jan 94 p 12

[Text] The new discipline and ethics code that has been approved empowers the National Police to enforce the most severe penalties for violations of the law and the guiding principles of the institution.

The new statute provides stiff penalties for those who engage in service-related wrongdoing or who violate police regulations; they range from a 30-day suspension without pay to immediate dismissal in severe cases.

The director general of the police will order dismissals after a disciplinary proceeding in which charges will be lodged against the defendants, who will then respond to them by submitting evidence during the first three days after they are formulated.

The investigations, which are subject to motions of reconsideration and appeal by defendants, may not last longer than 30 days, at which time a penalty must be decided on.

"This is the toughest statute in the history of the National Police. What we are seeking is to preserve discipline and ethics in our institution," said the director of police, General Octavio Vargas Silva.

The statute also provides for fines of up to 15 days' pay for police personnel who commit service-related infractions or violate the disciplinary code.

The statute describes what constitute orders from superiors and how they are to be carried out and leaves open the possibility that subordinates need not comply with such orders if they should lead to a punishable act.

The new regulations establish procedures for obtaining leaves, indicating that they may not exceed five days for police personnel.

Anticorruption Measures

Punitive Measures and Incentives The following penalties will apply:

- Written reprimand, that is to say, disapproval of the implicated party's conduct, entered into the service record.
- A fine of up to 15 days basic pay
- Suspension for up to 30 days without pay
- Dismissal or termination of employment contract

The following incentives will apply:

- Private commendations
- Public commendations
- Monetary rewards
- Prizes for the best student
- Honorable mentions
- Medals
- Decorations

Violations of the Statute

The following are the chief violations of regulations:

- The wearing of improper or nonregulation clothing, decorations, medals, or uniforms
- Failure to report on time for duty without a valid excuse or reporting for duty under the influence of alcohol or drugs.
- Once an incident involving a severe breach of the peace has become known, failure to report there within the allotted travel time
- Absence without permission or just cause from the scene of an incident or from a duty post
- Avoidance of service without just cause
- Driving police vehicles, piloting police water- or aircraft, or operating official equipment or machinery without the proper license or authorization
- Violating provisions of the criminal code or the Statute for the Control and Sale of Arms, Ammunition, and Explosives.
- Giving rise to justified complaints by citizens owing to negligent or arbitrary conduct on and off duty.
- Causing harm to individuals or property through the excessive use of firearms or force
- Impeding or denying assistance to investigations by the Attorney General's Office, the National Police Commissioner, or any other authority
- Demanding gifts to perform a duty

Disciplinary Action

- Disciplinary action is obligatory, formal, and indivisible. Once an investigation has begun, it must conclude with a declaration of guilt, a writ of prohibition, acquittal, or a cessation of proceedings.
- If at the close of the proceedings the accused is sacked, this information will be entered into his service record.
- All investigations must be reported to the Attorney General's Office for the National Police, to the Commissioner, and to the Assistant Director General.
- Proceedings will be declared closed only when the act never took place, the accused did not commit it, the act does not qualify as a violation, or disciplinary action cannot begin or continue.
- The statement of charges must contain legal particulars, a list of the acts under investigation, evidence, legal provisions violated, the time period for defense evidence, and information for the accused concerning

his right to see the report and the evidence gathered.

Suspension and Dismissal

- A temporary disciplinary suspension without pay may last up to 60 days when the violation being investigated tarnishes the prestige of the police.
- No appeal may be made against the suspension, and the assistant director of human resources must be notified immediately so that the proper formalities can be performed.
- The individual under investigation will be reinstated automatically in his post and will be entitled to pay if the proceedings are closed or if he is acquitted.
- He may also request his pay if the 60-day suspension runs out before the investigation has been completed. In this case the amount of pay will be determined in the final judgment.
- In the event that the penalty is a fine, the full amount will be deducted from the appropriate amount of pay to be disbursed at the close of the suspension.
- The suspended individual will be dismissed if he is guilty of the violation. The penalty of dismissal will be effective as of the date of the disciplinary suspension ordered as a precautionary measure.
- Investigations must be completed within a period not to exceed 30 days.

Ecuador

Five Policemen, 20 Students Injured in Street Clashes

PA1002024894 Paris AFP in Spanish 0136 GMT 10 Feb 94

[Text] Quito, 9 Feb (AFP)—The police have reported that five policemen and 20 civilians were seriously injured today as a result of street riots by students and workers in this capital. Students and factory workers who were protesting the 71.2-percent increase in the price of a gallon of gasoline confronted Army and police units with rocks and Molotov cocktails.

On Tuesday, the Confederation of Indian Nationalities of Ecuador [Conaie], to which 3.5 million Ecuadorans of the 11 million who live in this country belong, had initiated an ongoing Indian uprising.

Last Thursday the powerful United Workers Front, comprised of the country's most important labor unions, held a national strike to demand that the fuel price increase decreed on 28 January be repealed.

Today other popular organizations held an "empty pots and pans march" to reject the price increase, arguing that as a result of the government's measure food prices have increased.

The demonstrators—including many women carrying posters, banners, and kitchen utensils—gathered near Central University and at El Ejido and La Alameda parks in downtown Quito and tried to march on the Presidential Palace, shouting slogans against President Sixto Duran-Ballen.

Security forces, with the support of light armored tanks, fired tear gas at the crowd to scare away the demonstrators.

Conaie has reported that in the Andean province of Azuay, 310 km southwest of Quito, the Army fired on a group of Indians, wounding eight.

A general state of discontent is seizing the provinces of Riobamba, Imbabura, and Carchi, on the border with Colombia, according to journalists from those regions.

Defense Minister General Jose Gallardo has cautioned that the public order will be protected. Official sources have reported that approximately 100 people were arrested in Quito for having allegedly participated in riots.

Peru

Former APRA Ministers Sentenced for Crimes Against State

PY0902152994 Lima EL PERUANO in Spanish 3 Feb 94 p A1

[Text] Former Agriculture Minister Roberto Angeles Lazo and former Transport and Communications Minister Oswaldo Moran, both members of the APRA [American Popular Revolutionary Alliance], were each sentenced on 2 February to a 4-year conditional prison sentence by the Special Penal Court of the Supreme Court. They were found them guilty of the crimes of extortion and of offending the state when they made improper use of the MUC [Standardized Exchange Market].

Former Industry Minister Carlos Raffo and former Education Minister Efrain Obregoso were acquitted of the same charges.

Angeles and Moran must pay 20,000 new soles each to the state as compensation for the crimes they committed.

Congress Leader Praises Decision on Trial Jurisdiction

PA1002044094 Lima Radio Programas del Peru Network in Spanish 1800 GMT 8 Feb 94

[From the "Newspaper of the Airwaves" newscast]

[Text] Congressman Victor Joy Way, first vice president of the Democratic Constituent Congress [CCD], termed as correct the CCD's decision in the dispute over jurisdiction and the elimination of the decisive vote measure presented by Congressman Julio Chu Meriz. Joy Way justified this decision as protecting the lives of judges who are entrusted with special cases like La Cantuta and

will apply to other future cases. Here is what Congressman Victor Joy Way said:

[Begin recording] [Joy Way] There are obvious factors such as threatening situations. This is not a matter of jurisdiction. You know perfectly well that we as congressmen have the obligation to somehow solve this problem. Definitely, any ruling, any sentence by a justice is definitely influenced by a threatening situation.

[Unidentified reporter] Do you think this decision will prolong the outcome of the case?

[Joy Way] I believe, as far as I understand, that the investigations being conducted under military jurisdiction have made substantial progress. We hope that we will have a sentence as soon as possible. [end recording]

Congressman Victor Joy Way also said President Alberto Fujimori has the power to assess the law. Nevertheless, he said that in this case the legislative branch acted within its rights to perfect certain procedures that are under scrutiny.

In another turn of events, Joy Way referred to the hike in passport prices, said that this was [word indistinct] taking into consideration market prices for their manufacture, as apparently these had been previously subsidized.

Poll Cites Support on Economic, Political Issues

PA0802165194 Lima Panamericana Television Network in Spanish 0200 GMT 7 Feb 94

[From the "Panorama" news program; broadcast in progress]

[Text] ...in Lima, of national interest in the year's first survey taken by the company Apoyo have revealed the following trends:

Here are the results on economic issues. When those surveyed were asked, What is your opinion of the government's economic policy, 41 percent replied they supported it, whereas 42 percent were unhappy with it. The question, How do you feel your family's economic situation was last year, attained the following results: 43 percent felt it was better; 18 percent said it was better, and 35 percent said it was worse.

How do Peruvians regard their prospects for 1994? The poll reflects people are optimistic about the coming months, as 45 percent believe the situation will improve. Here are the results on political issues. How do people regard the presidential hopefuls? If elections were held tomorrow, and the candidates were President Alberto Fujimori and Lima Mayor Ricardo Belmont, 57 percent would pick the president, and 20 percent would vote for Belmont. If the candidates were Alberto Fujimori and Javier Perez de Cuellar, the gap would draw narrower, because 46 percent would vote for Fujimori, and 40 percent would vote for the former UN secretary general.

Peru: Roundup of Economic Developments

PA0802164994

[Editorial Report] The following is a compilation of reports on Peruvian economic developments monitored through 8 February.

Today, the director of the National Statistics and Information Technology Institute said inflation for January was 1.84 percent. This, he notes, indicates that inflation "continues to go down." The sectors that showed higher increases in January were rent, fuel, electricity, transportation, communication, and health care services while those that increased but not as much were food, beverages, entertainment, and cultural services. (Lima Global de Television Network in Spanish 0100 GMT 2 Feb 94)

On Thursday, the Peruvian Central Reserve Bank reported that as of 25 January, Peru's international reserves increased to $2.847 billion. This is $146 million more than the amount registered at the end of December. (Paris AFP in Spanish 1627 GMT 3 Feb 94)

* Over 1,000 Terrorists Indicted in 1993

94WT0005Z Lima EL COMERCIO in Spanish 1 Jan 94 p A4

[Text] The Office of Attorney General convicted over 1,000 terrorists in cases it handled this year, Daniel Espichan Tumay announced yesterday. The official also appealed to authorities not to let down their guard facing the subversive enemy so as to prevent such terrorists from once again sowing unrest among the people.

Espichan Tumay further noted that the respectable figure was achieved thanks to the excellent work of the Judicial Branch and military and reported that in 1993, 1,500 reformed terrorists had cooperated with the courts.

While observing that the Peruvian people are convinced that positive progress has been made in the fight, he repeated his appeal to civilian, military, and police authorities not to rest on their laurels.

"We must understand that terrorism will continue its onslaught because some leaders remain at large. Peace will be achieved only as the result of well-planned, transparent work and while paying respect to human rights," he said.

Presidential Instructions on Human Rights

He also reported that as a special mission entrusted to him by President Alberto Fujimori, he has toured the country explaining to civil authorities and officials in the Judicial Branch and Attorney General's Office that they must take special precautions when apprehending individuals.

"The Police have been technically and scientifically trained and will find evidence proving whether or not a

person is responsible for a crime. Otherwise, the rights of any citizen could be violated," he explained.

He said errors have been made in some cases and that the proper authorities have been duly notified, but added that what was important was "not to make any more."

Espichan Tumay said he is confident that with a titular Supreme Court, things will improve.

"A great deal remains to be done. We still have many prisoners who have been charged and all of Peru's higher courts must also be instructed to follow the same procedures applied in Lima," he said.

* 'Reformed' Terrorists Get New Identities

94WT0005Y Lima EL COMERCIO in Spanish 6 Jan 94 p A10

[Text] Provided with new identities and accompanied by their families, five reformed terrorists left the country last year to begin new lives and forget the sequels of terror and bloodshed in which they participated when they made the mistake of joining the ranks of the Shining Path [Sendero Luminoso-SL] and MRTA [Tupac Amaru Revolutionary Movement].

They are among the country's 1,500 reformed terrorists, 1,300 of whom have already been reintegrated into society and are working in different areas.

A number of them are now members of the Peasant Patrols working in rural areas. Others, numbering about 50, have assumed new identities and gone with their families to other parts of the country to take up different activities.

Concerning the reformed terrorists who left the country, a reliable source reports that they are "intermediate-level" leaders of the Shining Path and MRTA who provided important information leading to the capture of the main cadres of the terrorist organizations.

The government has lent them its complete support, providing them with traveling allowances in dollars enabling them to get along until they can get settled.

They have traveled to other South American countries (for reasons of security we cannot say where), where the Peruvian Embassies are discreetly monitoring them.

Six or seven other cases of reformed terrorists are now under study by the Evaluating Committee, which will determine the possibility of sending them abroad.

Daniel Espichan Tumay, special attorney general for cases of terrorism, was summoned by EL COMERCIO yesterday, but refrained from providing details on the matter for reasons of security.

Nevertheless, he did explain that the change in identity and residence, whether inside or outside of the country, is an additional benefit extended to the reformed individuals in accordance with the law.

He noted that as a member of the Evaluating Committee, he observed that here in Peru, the entire procedure is fraught with delays and that dishonest legal officials are even turning a profit.

He said that five members of the single board of the High Court of Chiclayo had been removed from their posts when it was proven that they were charging a reformed terrorist for handling his case, which they had deliberately chosen.

Uruguay

Economy Minister on Increasing Trade With Iran

PY0902152894 Montevideo EL OBSERVADOR ECONOMICO in Spanish 4 Feb 94 p 7

[Text] There are good prospects that Uruguay will increase its exports to Iran. This statement was made by Economy Minister Ignacio de Posadas yesterday upon his return from Iran where he headed a commercial mission.

De Posadas, who refrained from discussing domestic economic policy, told television Channel 10 that Iranian authorities and businessmen welcomed the initiative to resume the exchange of products, such as meat, where Uruguay has lost its privileged position in the Iranian market.

De Posadas explained: "There is interest in establishing a payment mechanism to safeguard the two parties, which was one of the important subjects discussed."

Regarding the products that may be of greater interest in the Iranian market, he mentioned rice, beef, milk by-products, and textiles.

New Air Force Chief Assumes Post

PY0902151694 Montevideo EL OBSERVADOR ECONOMICO in Spanish 2 Feb 94 p 3

[Quotation marks as published]

[Excerpt] Assuming his new post on 1 February, Lieutenant General (Air Force) Raul Sampedro, the new commander in chief of the Air Force, urged his subordinates to "strictly obey, without exception, the constitu- nal precept that bans them from any public or private act of a political nature—with the exception of the act of voting."

The Armed Forces, and thus the Air Force, are traditionally one of the basic guarantors of the electoral process, giving the citizens the necessary security to vote freely," he said. He added: "This is the way it is and this is the way it will be."

He stated: "An essential condition for this is the fact that all military personnel on active service in the Air Force,

from the commander in chief to the lowliest soldier, must strictly obey without exception this constitutional concept." [passage omitted]

Army Chief Urges Further Investigation of Artigas Guards

PY0902182194 Montevideo BUSQUEDA in Spanish 3 Feb 94 p 4

[Text] According to military sources, Army Commander Daniel Garcia has ordered Army Intelligence Chief Colonel Leonardo Garcia to redouble efforts in the investigation to identify the members of the "Artigas Guard."

Garcia's decision responds to the issuance this week of a communique—the third in less than two years—questioning the attitude of several military chiefs. Military sources have reported that Army officers received copies of the communique. The text of the communique, which is unsigned and is not identified in any way, was also sent to several members of the media, including BUSQUEDA.

The first public appearance of the so-called "Artigas Guard" goes back to April 1992 when it claimed responsibility for the explosion of a bomb outside former President Julio Sanguinetti's office.

Sources close to the Army commander's office have reported that Garcia will not comment on the new communique, "in which its leaders are not identified."

However, other military sources have said that Garcia "is not amused" over the continued discussions on the "Artigas Guard." The sources added that although he is aware that "it is not easy" to detect these "anonymous plotters," he is "restless" because the investigation did not yield any results.

This third communique issued by the "Artigas Guard" addresses messages to Garcia; General Raul Mermot, the Third Army Division chief; and Lieutenant General Hugo Medina, retired, the former Army commander.

Alluding to the changes Garcia intends to make in the Army, the communique states that "the fastest path may be the most dangerous." The four-page communique entitled "Preliminary Report of Communique No. 3 of the Artigas Guard", states that "Trying to straighten in a few months a piece of the most noble steel that has been bent for years, will surely break him."

It adds that if we do not recover "our self-confidence and loyalty (...) all of us will fail" and "we will be defeated soldiers forever, you and your subordinates."

Later, the communique severely questions Gen. Hugo Mermot and former Army Commander Medina who in the last few weeks protested and expressed their opposition to the reforms promoted by Garcia. Mermot was held for 10 days because of a letter he addressed to Garcia demanding participation in the planned reforms.

The communique states that during the time he was director of the Armed Forces sanitary services, Mermot did not show the same concern over the difficulties that the families of those soldiers who were hospitalized in the Military Hospital had to face.

It adds: "You (...) are now suffering in flesh and blood what your subordinates have suffered for a long time."

The Artigas Guard tells Medina: "There is a time to speak and a time to be silent (...) and we believe you did not act accordingly at one time or the other."

Medina is also pointed out as "spokesman" of "a group of military men who condition the future of the institution to the holding of their posts."

Paraphrasing General Jose Artigas, the communique ends by stating: "We will never allow our common enemy to take the slightest advantage of our disagreements."

Venezuela

Two F-16's Overfly Colombian Forest; Police, Rebels Clash

PA0802175994 Paris AFP in Spanish 1605 GMT 8 Feb 94

[Text] Puerto Ayacucho, 8 Feb (AFP)—Two F-16 planes of the Venezuelan Air Force this morning overflew the forest area near the Colombian town of Casuarito where 22 police clashed with more than 120 guerrillas for more than seven hours, area journalists reported.

The attack resulted in three dead and nine injured policemen. Two seriously injured policemen underwent surgery at 1540 GMT (1140) at the hospital in Puerto Ayacucho, a regional capital of Venezuela located 528 km southeast of Caracas.

The dead policemen were identified as Jairo Bolanos, Jose Pantoja, and Luis Alberto Biloria.

Various reports have agreed the insurgents could have sustained up to seven dead and an undetermined number of injured.

The source has reported one of the seriously injured Colombian policemen could go blind.

In Caracas, a report from Radio Rumbos in Puerto Ayacucho has stated insurgents of the Guerrilla Coordinating Board, which is made up of the FARC (Revolutionary Armed Forces of Colombia) and Army of National Liberation (ELN), used ammunition manufactured by Venezuela's Cavim Factory during the attack.

According to Venezuelan reports, calm returned at noon today to the Colombian town of Casuarito whose inhabitants sustained no casualties. Meanwhile, security measures were intensified at the border area in Puerto Ayacucho.

Colombian military patrols also tried unsuccessfully to find the attackers of Casuarito.

[Paris AFP in Spanish at 1629 GMT on 8 February reports: "General Rafael Montero, Venezuelan defense minister, confirmed today his country has declared an alert in the area along the Colombian town of Casuarito." The report adds the general told the media that Venezuelan actions are being coordinated with the Colombian Armed Forces. He said "there was no clash between the Venezuelan military and guerrillas."]

Cuba's Lage Says Oil Accord Not Discussed With Caldera

PA0902023694 Caracas Venezolana de Television Network in Spanish 0051 GMT 9 Feb 94

[Report by Raima Rondon from "The News" newscast]

[Text] Cuban Vice President Carlos Lage Davila said after meeting with President Rafael Caldera that so far no petroleum cooperation agreement has been reached among Russia, Cuba, and Venezuela, although the possibility has not been ruled out.

The Cuban official said talks are currently under way among the three states for a possible petroleum cooperation agreement and that each is prepared to establish a commercial operation that is favorable to the three countries. The Cuban vice president stressed, however, that the issue was not discussed with President Caldera because the tour of South American countries is focused on strengthening relations with Cuba.

[Begin Lage recording] We did not discuss the issue with President Caldera. As President Caldera said at the beginning, we discussed general issues. We thanked him for his position against the U.S. blockade on Cuba. We also expressed our satisfaction with his election and stressed our desire for a better future for Venezuelans. [end recording]

In the short 24-hour visit to Venezuela, the Cuban vice president noted his interest in strengthening ties between Venezuela and Colombia [sentence as heard]. To that end, he held meetings with the ministers of tourism, foreign affairs, and communications and transportation and with the president of the Venezuelan Investment Fund.

Caldera: Stay of Proceedings for Coupists 'on Course'

PA0902151694 Caracas EL GLOBO in Spanish 6 Feb 94 p 2

[Text] President Rafael Caldera said the stay of proceedings against the military personnel involved in the 4-F [4 February 92] and 27-N [27 November 92] events will continue on course as it should.

The president made these statements in Valencia following the ceremony for the episcopal ordination of Monsignor Reinaldo Del Prette Lissoi, which the president attended as the guest of honor.

[Caldera] It was a very beautiful, solemn ceremony and a fine expression of the feeling of the Venezuelan people. It was also a recognition of the brilliant figure of Venezuela's ecclesiastic youth. I am very satisfied because I think it is a sign of vitality, force, and faith in the Venezuela we all want.

[EL GLOBO] What can you tell us about the stay of proceedings against the coupists?

[Caldera] That will continue on course as it should. In a way, I am committed to the country. My conscience has committed me to solving this problem, which must be solved in a way that strengthens peace and unity in the Armed Forces and among the Venezuelan people.

[EL GLOBO] And what about the salary increase you announced?

[Caldera] That is being considered to see how it will be processed, because there are various options in the Labor Law. The Labor Ministry will bring it up at the next cabinet meeting.

[EL GLOBO] What has the governor of Carabobo State proposed in terms of decentralization?

[Caldera] It will continue in a constructive manner, because we want harmony between national, regional, and municipal authorities.

Support From the Governors

Carabobo Governor Enrique Salas Romer, president of the Association of Governors [of Venezuela, AVG], said President Caldera has "the support of the AVG independent of the positions its members may have. We maintain our support for the person chosen by the people to guide the destiny of the country."

Salas Romer said some of the president's statements make him feel optimistic about Caldera's attitude toward the decentralization process, which "is not a goal but a reality based on the economic, social, educational, and political growth of the Venezuela that extends beyond Caracas and which also demands the participation of the people of Caracas."

Defense Minister on Coupists' Return, Reintegration

PA0902155494 Caracas EL NACIONAL in Spanish 7 Feb 94 p D-1

[Report by Milagros Duran]

[Text] Division General Rafael Angel Montero Revette, minister of defense, said it will be very difficult for the military personnel charged with participating in the 4 February [1992] and 27 November [1992] coup attempts to reenter the Armed Forces, thus the defense minister's office is "trying to incorporate them into civilian life without problems."

Minister Montero explained that the respective files are being studied by the court martial and the court in charge of the case in order to make recommendations to President Caldera.

[EL NACIONAL] And how long will that take?

[Montero] I can't say, but we are studying them all.

[EL NACIONAL] What can you tell us about the return of the military personnel who sought asylum in Peru?

[Montero] So far we haven't had any contact with them, but we are studying their files to solve the problem.

[EL NACIONAL] They must come before the law?

[Montero] The president already said that they must come before the law. They have been notified of this several times.

[EL NACIONAL] How are your investigations proceeding regarding the alleged sale of weapons to Colombia by the Venezuelan soldiers?

[Montero] We have a DIM [Directorate of Military Intelligence] officer in Colombia right now coordinating the investigation, and we are trying to determine whether their is any connection between the two cases. Right now we are in the middle of the investigations.

[EL NACIONAL] The Zulia State governor said Yucpa Indians were massacred in Sierra de Perija. What do you have to say about this?

[Montero] There was no massacre. What happened was that a trooper reacted. He was attacked with sticks and machetes, he reacted, and, regrettably, it happened. Vice Admiral Huizi Clavier will go to Zulia on 7 February to coordinate with the governor for an investigation of the problem at the scene.

[EL NACIONAL] Is the possibility of reintegrating the coupist officers into the Armed Forces being studied?

[Montero] Yes, it is being studied, and they know it will be difficult for them to be allowed to return to the Armed Forces. We are looking for the best way for them to leave the organization but through the front door with no problems later in civilian life.

Ministers Hold First Meeting; Comment on Goals

PA1002042394 Caracas Venezolana de Television Network in Spanish 2350 GMT 4 Feb 94

[Report by Cecilia Pachano from "The News" newscast; passages in quotation marks recorded; speakers identified by caption]

[Text] The first meeting of the Council of Ministers of President Rafael Caldera started at 1030. Two issues focused their discussions: the country's fiscal situation and the review of the 1994 national budget. Following this meeting of nearly the entire cabinet, its members held their first formal news conference, which was coordinated by Guillermo Alvarez Bajares, minister of the Central Information Office.

The finance minister said that the 1994 expenditures budget of 1.43 trillion [currency not specified] was estimated in April 1993 and was based on petroleum revenues of $15 per barrel. The price of the crude is currently $12.5 per barrel. As a result, they were forced to reestimate revenues.

Thus, this Council of Ministers approved a 10-percent reduction in spending as part of a tax reform program that will soon be presented to the Congress. This should reduce the budget deficit by 2 percent of GNP and should reduce inflation.

[Finance Minister Julio Sosa] "We tried to study a reduction in the operating costs of autonomous services, of funds for personnel under contracts, and of planned allotments for, among other things, the purchase of vehicles, although this might seem unimportant. These things seem unimportant, but they add up to rather large amounts. This is obviously part of the fiscal austerity program announced by the president of the Republic. We also considered—and this was amply discussed—the need to carry out infrastructure projects included in the current budget but that must be reduced through a regime of concessions."

Meanwhile, and also on economic issues, the development minister announced an upcoming meeting to which all sectors involved were invited to reach a voluntary agreement to stabilize prices and prevent an escalation in the cost of living.

[Development Minister Luis Palacios] "The idea is to urge all economic sectors to try to reach a voluntary agreement to lower inflation."

Another issue that focused the attention of journalists was internal security. In this regard, the interior minister reaffirmed that the government will guarantee full respect for human rights and peaceful protests. He clarified, however, that it cannot continue to allow masked men to lead them. To put an end to this, he will meet with student leaders. The minister added that public order requires a firm, vigorous, and sustained attitude, not just repression.

The justice minister commented on the overlapping duties of the police. He announced a redefinition of the duties of these groups to maximize their efficiency.

[Justice Minister Ruben Creixems] "Venezuela is a democratic country. It has a system that aspires to life in a legal state. The country's Constitution and its laws define public order and enshrine principles of personal safety. Thus, police authorities must be subject to the Constitution and the law. We must eliminate once and for all in Venezuela that inadmissible principle that one must shoot first and investigate later.

"I think that the interior minister, the defense minister, the governor of Caracas, and I will hold interesting meetings to somewhat define the scope of various police forces' duties, because at times it appears that all are in charge of everything. And when all are in charge of everything, they might think that somebody else is handling a particular issue. To the extent that jurisdictions and duties are specifically defined and to the extent that the issues of organization and security pertaining to the police corps are settled, one will then be able to assign specific responsibilities in cases of violations or able to reward those corps that have performed in an outstanding manner."

In the opinion of the education minister, the problem is not the disturbances that the students could stage but the poor quality of the education they receive. Thus his goal is to improve quality:

[Education Minister Antonio Cardenas] "I am very worried that our children and teenagers are spending nine years in basic education and are leaving without mastering their mother tongue, without knowing how to read and write correctly, and without being able to express their ideas correctly. I am even more worried that some of them—unfortunately not a majority—go through secondary, diversified, and professional education; reach the university and graduate; and leave the university still with serious deficiences in the use of their mother tongue."

The journalists also asked questions about the orientation of our foreign policy. The foreign affairs minister said there are three key issues: maintaining the excellent level of our relations with neighboring countries and with the United States, fully articulating integration processes, and improving Venezuela's image:

[Foreign Affairs Minister Miguel Burelli] "It is possible that now that the crisis is being resolved it will be recognized that Venezuelan institutions were so good that they endured the commotion created by those military coups and the trial of the president of the Republic. No country on the American continent has been able to resist this kind of thing. Thus, instead of having that bad image, we should have been recognized as a country with formidable political institutions."

This cabinet meeting also approved the reorganization of the Ministry of the Secretariat. A commission headed by the incumbent minister was established for this purpose. It must present a report within 15 days.

The media was also told that henceforth the Council of Ministers will meet on Wednesdays at 1030. The journalists were advised about changes in the news reporting procedures and were urged to cooperate as much as possible to ensure the best coverage of all Palace events.

Government To Levy Tax on Luxury Goods

PA0802222394 Madrid EFE in Spanish 0131 GMT 6 Feb 94

[Text] Caracas, 5 Feb (EFE)—Official sources said on 5 February that the tax reform proposed by the administration of President Rafael Caldera will include a 20-percent tax on luxury goods.

The government is bidding to offset a drop in revenues caused by the planned elimination of the value-added tax (VAT) that is levied on all consumers. President Caldera has called the VAT "an unfair burden on the less fortunate classes."

The VAT, which went into effect in January and later was temporarily suspended until 28 February, will continue to be levied on importers and wholesalers. As for consumers, the VAT will be replaced by a tax on luxury goods.

A tax of 18-20 percent will be levied on a lengthy list of items that includes cellular telephones, television sets, motorcycles, planes, helicopters, yachts, jewelry, thoroughbreds and race horses, fighting bulls, and five-star hotels.

The government already approved a 10-percent reduction in the national budget, which according to the original draft amounts to about 1.5 trillion bolivares (about $15.5 billion), to offset the impact caused by the partial elimination of the VAT.

This $1.5-billion reduction would basically affect funds earmarked for nonpriority public works. These works, however, would not be completely halted, because a system of concessions would be implemented to promote the direct participation of the private sector.

If these measures do not suffice to balance fiscal accounts, which are currently estimated to show a deficit of about 500 billion bolivares (about $5.1 billion) by year's end, the government would consider the possibility of levying a tax on banking operations. This tax, which was included in the early plans by some Caldera advisers, has been postponed for now, but governmental sources pointed out that it could be implemented by mid-1994 if the desired results are not achieved by that time through the initial measures.

At any rate, budget cuts, new taxes, and the partial elimination of the VAT must all be approved by Congress, where President Caldera lacks sound support and where it is feared that he might find strong opposition.

Roundup of Economic Developments

PA0802162694

[Editorial Report] The following is a compilation of reports on Venezuelan economic developments monitored through 8 February.

Colombia's International Sugar and Molasses Marketing Company purchased the Urena Sugar Mill for 320 million bolivares. The transaction was conducted at the Venezuelan Investment Fund (FIV) offices. FIV President Nelson Rivera stated the transaction was beneficial for the country because the investment and expenditures incurred throughout the sale process were recovered. (Caracas Venezolana de Television in Spanish 2350 GMT 27 Jan 94)

The Venezuelan Central Bank (BCV) has reported that, owing to a reduction in oil revenues, Venezuela's international reserves dropped by $744 million last January and now total $11.912 billion. According to the BCV, another factor contributing to the decline is the climate of mistrust that exists in the financial market in the wake of the government's intervention in Banco Latino. (Mexico City NOTIMEX in Spanish 2234 GMT 3 Feb 94)

Venezuela foreign debt bonds have been hurt by a decrease in value of U.S. long-term bonds. The par bond fell one point to 70.75 due to U.S. 30-year bond sales. In addition, investors have adopted a cautious stance as they are waiting to see what specific measures President Rafael Caldera will take. (Caracas EL NACIONAL in Spanish 4 Feb 94 p E-1)

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